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ABSTRACT

This book presents an extensive examination of the organization and operation of the Vermont model day care delivery system which was designed in the context of the proposed Family Assistance Plan (FAP). The model tested the ability of Federal and State employees to work together and share resources in designing a new approach to welfare reform. The planning processes of the day care system are discussed in four major categories: (1) organization and management, (2) day care services, (3) money, and (4) evaluation. Each category contains a description of what was expected by the funding agencies and what was achieved during the planning period. The operating system which was to serve as a blueprint for the delivery of the statewide FAP day care services is discussed in terms of: (1) a critique, (2) people, (3) money, (4) controls, (5) community coordinated child care (4-C), (6) supportive resources, (7) information, and (8) decisions. A glossary, an acronyms list, and appendices are included. (For related document, see ED078956.) (SET)

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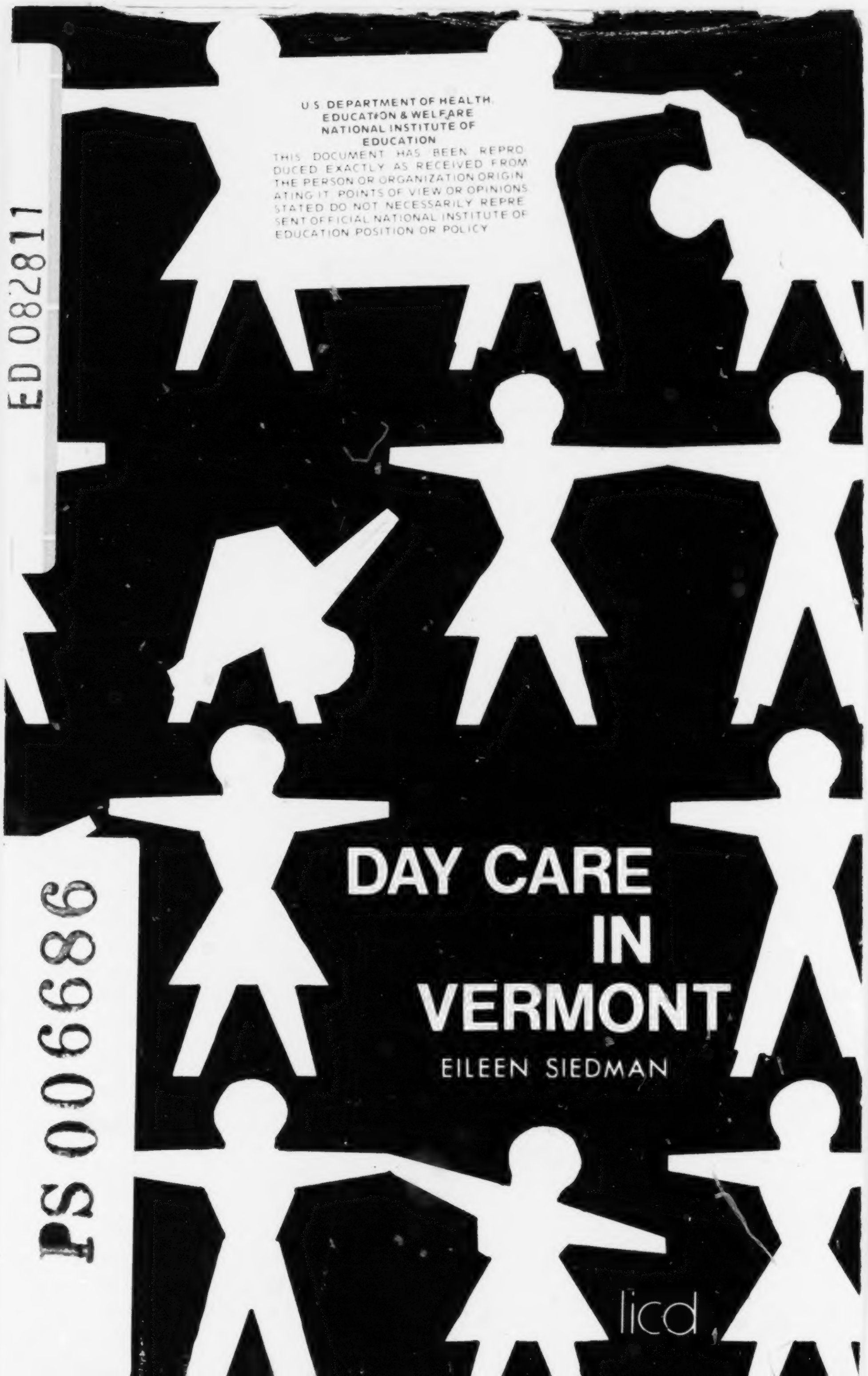

# DAY CARE IN VERMONT

EILEEN SIEDMAN

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# DAY CARE IN VERMONT

## An Evaluation
## of the Vermont
## Model FAP Child Care
## Service System

Eileen Siedman

Leadership Institute
for Community Development

Washington, D. C.

PS 006686

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# Preface

This is a two volume evaluation of the Vermont Model FAP Child Care Service System. The study was conducted by the Leadership Institute for Community Development under a twelve-month grant (H-3940) from the Evaluation Branch of the Office of Child Development in the Department of Health, Education and Welfare.

Since studies of this type tend to focus on deficiencies and unsolved problems in the search for pragmatic excellence, they may neglect important achievements or create false impressions of failure. We hope such an imbalance has been avoided in this report. While we have been evaluatively critical throughout, I want to take this opportunity to commend all those involved in the Vermont pretest for their hard-working, talented dedication and their valuable accomplishments in this difficult pioneer effort.

Many people contributed their time, talents and energies to this work and their names appear in the Appendix. Special thanks, however, are due the small but mighty staff who helped to put the jigsaw puzzle together, Martin Fisher, Cynthia Faust, Arlene Fonaroff and Krisa Vick. Words cannot express my gratitude to L. Jane Titley whose talents and creative insight were matched by her long, devoted hours to the final preparation of the report.

My thanks to the people in Washington and Vermont who had the courage and imagination to pretest a difficult program and who raised the evaluation questions which formed the basis for this study. Thanks, also, to the dozens of patient people who shared with us their documents, experiences, problems and suggestions during those long interviews and telephone calls in Washington, Boston and Vermont.

To Lois-ellin Datta, Esther Kresh and the federal review panel, my deep appreciation for their support and critical comments.

And thanks to Jack Mannion and the LICD Board of Directors for their support and confidence during an exciting year of hard work.

To all, many thanks.

Eileen Siedman
Project Director
LICD
June, 1972

Washington, D. C.

# Contents

Preface Page

Introduction 1
Scope of this Study 2
Methodology 4

Part I - Executive Summary
Summary Findings, Conclusions and Recommendations 9
Volume I - The Planning Process 21
Volume II - The Operating System 29

Part II - Findings and Analysis 65
Volume I - The Planning Process 66
Chapter 1. Background 67
Chapter 2. Organization and Management 76
Chapter 3. The Operations Plan 98
Chapter 4. Day Care Services 112
Chapter 5. Money 128
Chapter 6. Evaluation 137

Volume II - The Operating System 159

Chapter 1. The Operations Plan: A Critique 161
Chapter 2. People 196
Chapter 3. Money 212
Chapter 4. Controls 236
Chapter 5. Community Coordinated Child Care (4-C) 262
Chapter 6. Day Care Support Resources 297
Chapter 7. Information 314
Chapter 8. Decisions 334

Glossary 343
Acronyms 351

Resource Materials 437

Figure 1. Program Component Funding-FY 1970-71 129
Figure 2. Planning Chronology Chart 149
Figure 3. Comparison of Tables of Contents: FIADCR and Operations Plan 169
Figure 4. Table: Comparison of Operations Plan Objectives with Operational Achievements 171
Figure 5. Time Factors in Billing and Reimbursement 223
Figure 6. Fees/Rates/Costs by 4-C Area 229

# Appendices

Page

Appendix A-1. HEW-Vermont Contract, 1970-71 (child care component excerpts) 355
A-2. OEO-HEW Agreement 360
A-3. Memorandum of Agreement, OEO-HEW 369
A-4. The System - FY '72 371

Appendix B-1. Federal Level Expectations Issues by Category 373
B-2. Summary Chart 380

Appendix C-1. Vermont Model FAP Child Care Service System - State Revenue - Day Care - FY 1971 and 1972 381

Appendix C-2. Vermont Model FAP Child Care Service System - State Expenditures - Day Care - FY 1971-1972 382

Appendix D-1. The Licensing Procedure 383
D-2. Licensed Day Care Statistics 384
D-3. Caretaker Appraisal Criteria, SOCD, Dec., 1971 385

Appendix E-1. Regional 4-C Administrative Grant Procedure - Draft 389
E-2. Vermont 4-C Committees 392

Appendix F. Sample Day Care Sites 393

Appendix G-1. Map - Sample Site Locations 396
G-2. Map - 4-C Districts - FY '72 397

Appendix H. Types of Sites Surveyed by Local 4-C Areas 398

Appendix I. 4-C Problems in Providing Health, Food and Transportation Services 399

Appendix J. How the 4-C Committees are Involved in Providing Health, Food and Transportation Services 400

Page

Appendix K-1. Physical Characteristics of Sample Sites 401
K-2. Fiscal Characteristics of Sample Sites 402

Appendix L. Aggregate Child-Adult Data from Fifty Sample Sites by 4-C Areas 403

Appendix M-1. People Participation 404
M-2. Average Annual Gross salaries 405
M-3. Average Weekly Gross salaries of Site Staffs 406
M-4. People characteristics - Sex and age 407
M-5. People characteristics - Years in Vermont and Education 408

Appendix N. 4-C Written Communications 409

Appendix O. Data Collection for the Office of Child Development (MIS) 410

Appendix P. Report from Vermont OCD, April, 1972 FIADCR Program Quality Assessment 413

Appendix Q. Letter to Eileen Siedman from George Carcagno, May 19, 1972 427

Appendix R-1. "Day Care Problems Compounded" The Vermont Times - Argus, May 4, 1972 431
R-2. "No Cut in Day Care Enrollment Seen" Caledonian-Record, April 27, 1972 433

Appendix S. Day Care Site Information Flow 434

Appendix T-1. Project Staff 435
T-2. Federal Review Panel 436

# Introduction

Why Vermont? That seemed to be the standard question each time someone heard about this study for the first time. The question was generally followed with skeptical comments about population characteristics since Vermont's folks were predominantly rural whites who lived all over the state, in and around tiny towns and villages. As one state official put it, "Vermont is a medium sized city spread over a 10,000 mile terrain." What possible value, then, could a pretest of a national day care system have for the rest of the country when Vermont was so "different", they asked, as if state characteristics rather than national policies were the issue. And, in fact, Vermont was not "typical". But neither were New York, Alaska, West Virginia, Alabama, Connecticut, Hawaii, or Ohio. For each of the fifty states had its own characteristics, geography, traditions and population mix, and none of those factors turned out to be significant research variables for two important reasons.

First, this was a systems study - an intensive examination of the way federal and state resources were used to provide statewide day care services for working parents under a proposed welfare reform plan.

Since federally funded programs were wrapped in identical boxes and tied with the same red tape, no matter which state received them, state and local differences of type and degree were important factors but national administrative regulations were the same, so Vermont was as good as any other place to pretest the model FAP day care system. The forms and controls were standard and the new rules were designed for a national program.

Second, the factor of ubiquitous humanity presupposes that people are people, regardless of how they look, where they live or their source of income. Given that, the service delivery human needs in Vermont could be equated with those in the rest of the country so that judgments about "how well" to meet those needs were considered transferrable to other states.

The dilemma, of course, was first to learn "what really happened" when Vermont was funded to plan, organize and operate a model day care delivery system in the context of the proposed Family Assistance Plan, and second, to find a way to assess "how well" the model functioned to achieve its objectives. In the final analysis, achievement of this program's goals should have been measured by whether or not its clientele public was better off, worse off or unchanged as a result of the program activity, but this evaluation stopped short of that objective. Instead, we were asked to limit our assessment of the Vermont experience to the administrative implementation of the statewide FAP day care system, and we have done so.

This was not to be "just another evaluation study" but an attempt to identify and describe specific factors of policy and implementation in order to suggest remedial alternatives for immediate action by national decision makers and state officials.

## THE SCOPE OF THIS STUDY

In the context of national priorities, the child care component in FAP is part of a broader plan to increase the numbers of employable men and women with outlets to the labor market vis-a-vis assurance of quality care for dependent children during the work day.

In examining the planning process, we first considered the basic questions posed by the Department of Health, Education and Welfare:

1. What was the planning process in Vermont?
2. How closely did it follow proposed federal, state and local guidelines?
3. Where and why did it diverge from such guidelines?
4. Were there alternatives posed for the course of action eventually taken?
5. What problems were involved in its development?
6. What can be learned from this experience which will be useful to national policy makers?

Additionally, we also considered the following questions:

1. What is the validity of the guidelines, as well as their impact on the planning process?
2. What was the genesis and development of the whole FAP pretest in Vermont, as these affected the day care component planning process?
3. What was the influence on the planning process of the working relationships among and between federal and state staffs?
4. What use was made of subcontractors for the collection and analysis of data and the provision of technical assistance and staff training during the planning process?

5. What was the role of community level people in the planning process?

6. How did decision-making occur in the planning process?

7. What was the importance of information and its use in the planning process?

Specific answers to these two groups of questions appear in Part I -- Summary: Conclusions and Recommendations.

HEW's basic question to the state of Vermont was: "How does a State organize resources to quickly establish a child care system which will support FAP employment objectives?" 1/ Therefore, LICD's phase two investigation of the FAP child care operating system was concerned with the following issues·

A. How valid were the basic assumptions of the child care provisions of the FAP legislation?

B. What were the costs of administering the system and how could these be assessed?

C. To what extent were child care delivery system variables responsive to the needs of FAP eligible families?

D. To what extent was the operating system an implementation of the Operations Plan?

E. "How well" and "how quickly" did the operating system work to attain the pretest objective of a statewide delivery system to provide "stable quality child care for FAP eligible families?" 2/

F. What were the state and local factors which facilitated or inhibited delivery of "stable, quality child care service?"

G. What were the broad problem areas and the specific problems of the operating system? What were their causes and how could they be prevented?

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1/ HEW Request for Proposal to evaluate the Vermont Model FAP Child Care Service System.

2/ One other LICD task concerned the provision of technical assistance to Vermont in the development of program quality indicators. The LICD discussion of Vermont's assessment of program quality appears here in Volume II, Chapter 4, Controls and the complete Vermont report has been reprinted as Appendix P.

## METHODOLOGY

The FAP child care planning process accomplishments were measured against those expectations of it expressed in written documents, proposed legislation, and LICD interviews with staff.

This proved to be an elusive assignment. The expectations identified were, for the most part, nebulous and very often contradictory or misunderstood. Vermont was given one set of expectations in the Vermont--D/HEW contract, but never received others expressed in the OEO-HEW agreement. LICD interviews with federal, state and local people turned up still more.

Futher complicating all these differing levels of expectations was not only Vermont's own idea of what it expected to achieve but also its perception of what was required of it by others.

To the extent possible, LICD evaluators

1. identified expected outcomes of the child care pretest in general, and of the planning process in particular;
2. classified these expectations into major categories;
3. identified accomplishments of the child care pretest in general, and of the planning process in particular;
4. classified these accomplishments into the same categories as the expectations; and
5. analyzed the findings in order to draw conclusions and make recommendations.

This report encompasses all aspects of the planning process as they were reflected in the development of the administrative system, the preparatory arrangements by federal and state staffs for transfer of operational responsibility and funding to the local level, and the development of the day care delivery system.

Volume II research focused on the administrative implementation of the Vermont day care system. Data were obtained from legal documents which imposed requirements, correspondence, memoranda, guidelines, contracts, minutes of meetings, records, reports, newspaper articles and other written materials.1/ A literature search was also conducted for relevant day care information and the Operations Plan was carefully critiqued (as described in Volume II, Chapter 1, p. 161).

Data were collected in the following major categories:

1. People
2. Places
3. Things
4. Systems
5. Time
6. Money
7. Fee/Rate Schedules
8. Child/Adult Ratios
9. Ancillary Services
    a. Transportation
    b. Health (physical, mental and dental)
    c. Food
10. Licensing

Vermonters were extremely cooperative in providing information by telephone and mail, an important factor in this study because of its low budget. Persons interviewed in the field represented state government, 4-C committees and day care sites. LICD staff interviewed all but one of the DHEW staff involved in the Vermont child care pretest, all but one of the state officials connected with the day care system and nearly one third of Vermont's day care providers.

LICD staff and part-time consultants conducted personal interviews with 260 people throughout the state, each of whom had a direct relationship with the operating system. These included 31 state employees, 13 4-C leaders, 52 site operators, 55 site staff, 21 members of site advisory boards and 88 parents. Coded interview guides were prepared for each category of role

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1/ The Appendix contains summary data, copies of documents and identifies people and places visited in the field. A glossary has been provided as a convenient reference guide to frequently used acronyms and key terms used in this report.

in the system [1] with interlocking questions to facilitate data tabulation and correlation, which was done manually.

## 4-C Interviews

During the week of March 14-17, 1972, LICD sent two interviewers into Vermont, one to cover four 4-C areas in the northern half of the state and the other to cover the four areas in the southern part of the state. One interview per day was conducted by each interviewer. LICD interviews at the 4-C regional level were designed to obtain as much information as possible about the operation of 4-C in Vermont and how it related to the other components of the Vermont FAP child care pretest.

We planned to interview the 4-C staff director in each of the eight 4-C regions, feeling that the full-time paid staff person would be closest to the operation and better able to give us the information we needed. In some cases, however, where the paid staff person was new or had not been as close to the details as a member of the 4-C Committee, we interviewed them together. For that reason, interviewees in Chapter 5 are referred to as 4-C "leaders."

## Site Interviews

Fifty sample sites were selected for data collection. These included a representative sample of each type of Vermont day care provider. Licensed facilities were selected from the official state list of approximately 150 homes, group homes and centers. Unlicensed facilities (caretaker homes) were selected from a list of 24 supplied by the area 4-C Committees.[2]

Site selection criteria included type of facility, location by geography and 4-C area, number of children, accessibility to interviewers [3] and availability of persons to be interviewed. We made no attempt to limit the sample to FAP participants since he day care system was supposed to service the entire state nd, as the data show, non-fee paying youngsters were enrolled hroughout the state. LICD's selection included Centers licensed or over 30 children and those licensed for under 30 children, ost of which operated out of homes. 1/ We also included a epresentative sample of FAP day care "alternative models" ncluding The Burlington High School Child Development Center, he Vermont Home Care Enrichment Center and the day care center t Fort Ethan Allen, 2/ and The Lyndon State College Day Care enter.

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[1] Semantics presented occasional problems for LICD staff because several Vermont state units had the same names as their federal counterparts (Office of Economic Opportunity, Office of Child Development, FAP) and were not always clearly sorted out. In another example, statewide nomenclature for what we called "sites" was also confusing. Day care providers were classified in at least six different ways, some of them overlapping.

[2] See Appendices D-2, E, F, G and H for details.

[3] e.g., driving distances, weather conditions, hours of operation, etc.

Ten LICD interviewers covered 46 sites during the week of pril 10, 1972. We were obliged to cover the remaining four ites the following week due to an unexpected illness in the amily of one of our staff.

Since one important aspect of our study was an assessment of he information system, we used personal telephone contacts o set up appointments about one week before each visit. ecause the informality of the telephone gave us an opportunity o answer questions about the purpose of our visit and the nature f our study, we hoped to avoid the erroneous impression that e were coming to evaluate the site or to monitor its program. n most cases, we achieved this objective by telephone in dvance. In a few instances, further clarification occurred uring the face to face interviews. Each of the ten interviewers as able to establish a direct personal relationship which ontributed to the overall warm-hearted cooperation we eceived throughout the state.

The methodology required that persons interviewed respond pontaneously and without preparation of any kind. If we had een conducting a monitoring effort or a program quality ssessment, the more traditional "introduction by letter" ethod might have been appropriate. Also, in recognizing the navoidable imposition any outsider makes on a busy day care peration, we structured our visits so that we could cover all nterviews at each site in one day. Interviews generally began ith the site operator at about 1:00 p.m. while the children ere napping, and finished with the parents when they came to ick up their children at the end of the day.

In the first phase report of this study, Volume I-The lanning Process, we described and evaluated that portion of

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/ Of the initial 50 sites selected, we found, when calling to make appointments, that seven of them were no longer in business, some of them for a while despite the fact that their names appeared on the current list of licensed day care facilities.

/ Operated by the University of Vermont.

the pretest which was to have produced a model Operations Plan. The second phase of this evaluation was originally conceived as an assessment of how well the operating system was working in relation to that plan. However, because the plan did not spell out a child care delivery system, the state's day care operation was evaluated separately.[1]

As George Carcagno pointed out in his letter to the LICD Project Director, Volume I of this report required, to some extent, "...unraveling a tangled skein of fact, opinion, emotive statements and fantasy."[2] Volume II, on the other hand, describes the actual operation of Vermont's day care system as it functioned at every level and as it was experienced by the people who lived it. LICD evaluators observed the evolution of a statewide system, almost from its very beginning, and watched enthusiastic optimism turn to anger, frustration and despair as expectations rose faster than the system's capability to respond to them.

What follows, then, is the story of Day Care in Vermont.

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1/ The Operations Plan: A Critique, pp. 161-195.

2/ Appendix Q.

# Part I Executive Summary

## Summary Findings, Conclusions and Recommendations

# Part I - Executive Summary

The Vermont model FAP child care service system was expected to become a preliminary state implementation model when the Family Assistance Plan became law. In conception, it was to implement a model FAP child care plan. However, as described at length in Vol. I of this report, Vermont's Operations Plan was not a work plan for a service delivery system except as it specified FAP eligibility requirements and financial controls. The Plan seemed to assume that having made money available within boundaries and constraints, supply and demand factors would permit a delivery system to "happen." Nevertheless, when the FAP pretest brought statewide money and attention to Vermont's day care needs, FAP resources became the basis for organizing and operating a statewide day care system which then generated new needs for policy and procedure in order to function.

Overall, the pretest appeared to demonstrate that Vermont parents would use day care resources, if available, so they could take jobs or employment for training. However, because of informational deficiencies, there was little reliable data from the Vermont pretest to directly associate those working parents with the FAP-related activities of the pretest. As a measure of success, the pretest brought day care to Vermont and some expectations that, if jobs were available, welfare recipients and other low income people who needed child care could go to work. Perhaps the most serious misconception of the planners, however, lay in their assumption that a statewide human service system could be started from scratch without consideration for the complexities of service delivery and the potential consequences of conflicting values, such as custodial versus developmental child care.

It is important to note here that our investigation found no recalcitrant bureaucrats or other blameworthy types. The data are clear that nearly everyone involved in the project was eager for success and deeply committed to producing quality child care for working parents. Conflicts which surfaced developed around different perceptions of the ultimate goal: day care for children's sake or day care to meet economic needs?

The summary findings, conclusions and recommendations which follow suggest that these two objectives are not mutually exclusive if planned for as equally important elements of a total delivery system.

## Background Information

On July 1, 1970, the State of Vermont began a project to pretest the planning and operation of a statewide child care delivery system for working parents within the context of a broader pretest of the proposed Family Assistance Plan (FAP).[1] This day care effort was funded under a contract from the Department of Health, Education and Welfare (D/HEW), supplemented by additional funds from the Office of Economic Opportunity (OEO), to provide FAP day care services. (See Figure 1, page 129)

Planners in Washington and in Vermont's state capitol, Montpelier, worked closely together to establish FAP eligibility criteria, rate schedules and other fiscal policies that were to be pretested in Vermont for replication in other states. It was hoped that the Vermont experience would provide information about the feasibility of policies and procedures so that FAP could quickly be implemented when voted into law by Congress.

Commencing with the President's announcement concerning expanded day care services, the child care aspects of the pretest began to grow in importance. This was particularly true as day care became a crucial factor in the President's workfare philosophy.

But early in the pretest, two Washington decisions transformed the day care component from a role as merely one of four programs supporting the income maintenance pretest to the position of its most significant (and controversial) component. Each of these decisions directly affected the planning process.

The decision in January, 1970, not to pretest the income maintenance plan changed the fundamental character of the pretest. The planners had to shelve much of the original planning work, including most of the data from a major study for Vermont performed under contract by Mathematica, Inc. [2] Removing the basic income maintenance framework created a pretest of four separate programs only peripherally related within the FAP context: 1) day care, 2) vocational rehabilitation, 3) social services, and 4) employment/training.

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[1] The Family Assistance Plan (FAP):an Administration bill introduced in Congress as H. R. 14173 on October 3, 1969. Not passed. Subsequent revisions resulted in its reintroduction as H. R. 1 in January, 1971. Not passed.

[2] Mathematica, Inc. (120 Alexander St., Princeton, N. J.) was engaged to help develop policies and procedures for implementing FAP on a statewide basis. (See pp. 98-106).

The other decision, to provide a large sum of OEO money for day care services, 1/ helped to enlarge the significance of the day care component as it became the most richly funded element of the pretest and, more important, an almost totally independent variable.

Vermont's interest in welfare reform was understandable in view of its position as the tenth highest state in amounts paid per inhabitant for public assistance.2/

According to the 1970 census, 68% of Vermont's population was found in rural areas, with ski resorts and summer homes the main source of revenue for service industries. Burlington was the largest city with 39,000 people. IBM3/ and GE4/ are the industries credited with having contributed to Burlington's growth. The increase in Vermont's population between 1960 and 1970 was equal to the increase between 1890 and 1960. The total population at the 1970 Census was 445,000 with 38% of the population white collar, 62% blue collar and less than 1/2 of 1% were other than white. The average per capita income in 1970 was $3,465.00 (32nd lowest in the country). Vermont was the 48th state in its number of poor people with a statewide average unemployment rate of 4.4%. Given the limitations of the unemployment rate describing the actual economic situation, the rate steadily increased two points over a one year period. The lowest monthly rate in one community was 1.8 and the highest was 8.9. The statewide average monthly range was 4.0 to 5.8.

The Vermont FAP Pretest followed the traditional pattern of vertical funding and vertical working relationships (see Figure 1). The real significance of this, as it related to the decision-making process, lies in the fact that the funding source not only determined the problem but also tended to direct what to do about it. Even in the Washington/Boston federal relationship, it was found that, for the most part, Washington bypassed the region in order to work directly with the state.

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1/ See Appendices A-2 and A-3 for the OEO/HEW Agreement.

2/ Based on Resident Population, July 1, 1971, Bureau of the Census estimate, HEW-SRS-PS-8 OS - NCSS No. 3

3/ IBM - International Business Machines, Inc.

4/ GE - General Electric Corporation

In the initial stages of the planning process, organizational problems began to compete for attention with policy questions. Some of the inherent problems resulted from using existing legislation, programs and institutions for the pretest of proposed legislation.

Overall planning for this statewide program was handicapped from the outset by the absence of a planning design and by the separate but equal status of each of the four components especially the day care component. Further complicating matters were the overlapping and often contradictory requirements and expectations set forth in federal contracts and other documents with which Vermont attempted to comply.

Following the traditional pattern of intergovernmental relations in federally funded programs, D/HEW and DOL (Department of Labor) received proposals and funded separate pieces of the pretest using the amorphous machinery of agency representation in decision-making groups.1/

At the close of F.Y. 1970 (when the FAP day care pretest began) Vermont had 270 children enrolled in its full-year, full-day Head Start program.2/ In December, 1970, an additional 250 children were reported to be receiving child care under the Work Incentive Program (WIN).3/

As one indicator of Vermont's increasing trend toward responsiveness in matters affecting children, the State announced in May, 1972 that "Day care centers would be permitted to spend up to 20 percent of their state and federal funds to care for children from homes where illness had kept one of the parents from working.4/

In Vermont, the 4-C Committees and the day care service providers did not have a significant input to decision-making during the planning process. Their role of operating agency differed from the original 4-C concept, in which they were to be responsible only as catalysts, community organizers or policy makers.

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1/ See Figure 1, p. 129.

2/ "Table 27, Children in Full Year, Full Day Head Start Programs by State, Fiscal Year 1970, and Federal Costs", Child Care Data and Materials, Committee on Finance, U.S. Senate, June 16, 1971 p. 60.

3/ Op. Cit. "Table 17, Number of Children Reported Receiving Child Care Under WIN," p. 41.

4/ State Government News, Volume 15, #5, May, 1972. Published by the Council of State Governments, p. 7.

Our examination of the complicated route of the OEO day care money (see Figure 1,) revealed the gradual and confusing imposition of intricate requirements as each agency's input reflected its own policy and perspective. In addition, Vermont's Day Care Unit in the State Office of Economic Opportunity was charged with the responsibility for organizing and operating FAP day care while the planning responsibility rested with the FAP Planning Staff in another organization. The net effect of this fragmented approach appears to have been the development of a competitive and conflicting relationship rather than a partnership between the planning and operating staffs. It also reflected a view of planning and operating which perceived them as two discrete activities with a neat sequential relationship not borne out by subsequent examination of the actual pretest experience.

The planning process of the Vermont day care pretest did not produce any systematic experimentation aiming at alternative courses of action. At no time were there systematic plans for developing, analyzing, or selecting viable planning alternatives.

At the same time, several alternative day care delivery service models developed independently without an overall design. Yet there were no plans developed to characterize, compare and assess these alternative day care models. Lacking an evaluation design, the alternatives had little value to the pretest (see pp. 116-120).

Two major subcontractors were used: 1) Thiokol Chemical Corporation 1/, and 2) Mathematica, Inc.

Thiokol contracted with the State Office of Economic Opportunity to provide professional services in the area of planning day care facilities, staff training and the development of evaluation procedures for the day care unit. The actual Thiokol work and its value to the child care planning process proved to be useful in staff training but rather doubtful in the other areas (see pp. 121-125).

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1/ Thiokol Chemical Corporation, 1001 Connecticut Ave. N.W. Washington, D. C.

Mathematica's major obligations were to provide Vermont with assistance and information to develop a body of knowledge and a set of policies and procedures to implement FAP statewide. Most of their work was focused on an income maintenance pretest and had limited usefulness in connection with child care planning.

One other factor emerged which had a significant impact on the Vermont day care pretest--the still unresolved conflict over the definition of quality child care. In the absence of criteria clearly defining quality child care and (since it was a pretest) in the absence of state wide implementing experience with the whole FAP concept, positions became polarized around the one issue which no one had to settle. In effect, "custodial" care for FAP children became identified as substandard care while "developmental" care for FAP children meant compliance with minimum state licensing standards.

Yet, despite the heat and hostility generated over this issue, both in Washington and Montpelier, everyone interviewed in the course of the LICD study spoke of child care in developmental terms which differed only in type and degree. Nevertheless, until this issue is resolved or clarified, planners may continue to grope for answers to budget questions (facilities, staff, equipment, supplies, ancillary services, etc.) and child care specialists may consider FAP day care potentially detrimental to children.

Moreover, the controversy probably created a diversionary protective covering for significant problems which otherwise might have surfaced for resolution. For example, equally important sources of friction seemed to stem from

1. different philosophical perceptions and expectations of the FAP pretest (see pp. 74, 77-84 87-94, 137-139) & Appendix B.
2. differing administrative styles (see pp. 82-94, 136.)
3. program management problems at every level (see pp. 74-97, 136, 137).
4. the separation from the other three support components of day care component funding and operating (see pp. 67-73, 77-83, 95-96, 129.)
5. power struggles over the control of the program (see pp. 72-75, 79-84, 88-94, 126-127).
6. the absence of a broad day care planning design that might have included a service delivery system as well as a fiscal management system (see pp. 95-97, 98-111, 112, 116-120).

7. the nature of the pretest, which was directed in Washington with little, if any, input from day care operators (see pp. 72-75, 78-89, 102, 106-111, 118, 128, 258, 261.)

8. the absence of a built-in evaluation system which might have provided important feedback information for both short-range and long-range decisions (see pp. 137-148).

9. the absence of a management information system with layers of decision-making opportunities to resolve conflicts (see pp. 87, 90-97, 147).

The basic problem in the development of the planning process seemed to flow from the traditional pattern of developing and managing federal programs from multiple funding sources, each with its own guidelines and regulations.

Lack of agreement on objectives, the differing range of expectations, plus the polarization around the custodial vs. developmental child care controversy acted further to produce serious planning problems.

As conceived, the planning task seemed relatively simple and clear: Design and develop a statewide system to provide quality day care for FAP eligible families. Without a doubt, the FAP pretest was responsible for bringing statewide day care services to Vermont, despite a piecemeal collage of expectations, authority, decisions and activities. But neither the planning process itself nor the "plan" to deliver day care services can be identified as a "system."

For example, one can hardly credit the planning process for the Operations Plan which was written:

1. before the baseline data was analyzed and available;
2. without consultation with local day care operators;
3. primarily by one talented individual;
4. to meet the specifications of the federal government; and
5. in relative isolation from other elements of the planning process (e. g., employment training, social services, vocational rehabilitation, and day care operations).

Therefore, it seems overwhelmingly evident that the activities referred to as the planning process in Vermont did not produce a Model FAP child care service system, but did produce a classic study in public administration and intergovernmental relations.

Certain specific questions were raised (see pp. 2 and 3) which found a basis for much of our investigative research. While detailed answers constitute the substance of this report, synopsized answers are presented here with appropriate references.

The basic questions posed by DHEW and LICD were:

- What was the planning process in Vermont and what were the genesis and development of the whole FAP pretest in Vermont as they affected the day care component planning process?

We found that the planning process suffered from the absence of an agreed upon planning design. Instead, a series of loosely related decisions and actions required Vermont's compliance with directives from Washington. Personnel and organizational shifts at the federal and state levels took place several times during the planning process causing confusion, information gaps and delays.

Commencing with the President's announcement concerning "expanded day care services," the child care aspects of the pretest began to grow in importance. This was particularly true as day care service became a crucial factor in the development of workfare as a welfare reform strategy. When the Income Maintenance aspect was dropped, sufficient support for the pretest remained despite its more limited service scope. Nevertheless, planners managed to develop a foundation for a FAP day care delivery system and to begin its implementation. Figure 2, the "Planning Chronology Chart," provides an overview of the planning process.

- How closely did the planning process follow proposed federal, state and local guidelines, where and why did it diverge from such guidelines, and what was the validity of the guidelines and their impact on the planning process?

Vermont state FAP child care planners responded meticulously to the federal guidelines contained in the Federal Interagency Day Care Requirements (1968) and to specific policy directives and interpretations of pending FAP legislation from Washington. Since there was no planning design, as such, planners developed policies and procedures as needed. State interim guidelines and operating procedures were not issued until August, 1971, after operations were well underway. Since the federal guidelines were primarily concerned with fiscal management, rate and fee schedules and accounting systems, the state guidelines reflected that perspective. The planning process did not produce substantive guidelines for day care service delivery, as such.

In addition, the child care component was funded from two separate federal agencies (OEO and HEW-SRS 1110) each with its own legislation and regulations. Our investigation revealed that certain OEO requirements were not transmitted to Vermont by HEW (the federal contracting agent). Therefore, the validity of those guidelines could not be tested.

- Were there alternatives posed for the course of action eventually taken?

The planning process of the Vermont pretest did not produce any systematic development of alternative courses of action. At no time were there plans for developing, analyzing, or selecting viable planning alternatives.

Various day care models evolved without an overall plan, but there was no system to characterize, compare or assess them. Lacking an evaluation design, those alternatives had little value to the planning pretest.

- What problems were involved in its development?

The basic problem in the development of the planning process seemed to flow from the traditional pattern of developing and managing federally funded programs from multiple funding sources, each with its own guidelines and regulations. Even though the proposed FAP legislation provided the basis framework, actual funding was fragmented and tied to existing legislation. Administratively, this meant that various different units of the federal government each had a vested interest in the Vermont pretest and were involved in decisions, one way or another.

Lack of agreement on objectives, a wide range of expectations and polarization around the custodial vs. developmental child care controversy added to the planning problems.

Administrative and communication problems resulted from the lack of adequate information and decision-making systems, a common complaint being that no one was in charge. Finally, the baseline survey done by Mathematica, Inc. was originally intended to provide data for an income maintenance plan, not for a day care system. As a result, much of that data was not as relevant as it might have been.

- What can be learned from this experience which will be useful to national policy makers?

(See Recommendations pp. 21-28.)

- What was the influence on decision making and the planning process of the working relationships among and between federal and state staffs?

From the start of the planning process, organizational problems began to compete for attention with policy questions.

The Washington staffs, in their quest for a successful FAP pretest, encouraged a vertical relationship with the Vermont staffs which by-passed routine state and federal regional organizational channels.

At the same time, the Vermont FAP pretest followed the traditional pattern of vertical funding and working relationships which flows from categorical legislation and federal program controls.

The real significance of this, as it relates to the planning process in the Vermont pretest, lies in the fact that the federal funding sources determined the problem and directed what to do about it.

Vermont's participation in the planning process, then, can be characterized as accommodation and compliance with federal directives.

- What was the effect of the use of sub-contractors for the collection and analysis of data and the provision of technical assistance and staff training during the planning process?

The two major sub-contractors were 1) Thiokol Chemical Corporation and 2) Mathematica, Inc.

Thiokol contracted with SOEO to provide professional services in the area of planning day care facilities, staff training and the development of evaluation procedures for the day care unit. With the exception of the staff training work, Vermont staff did not appear to find the other Thiokol work useful during the planning process.

Mathematica's major obligations were to provide Vermont with assistance and information for the development of FAP statewide policies. Since the main thrust of this work was focused on an income maintenance pretest, Vermont staff found only a small proportion of the information to be directly useful for child care planning.

- What was the role of community level people in the planning process?

In Vermont, neither the 4-C Committee nor the day care vendors had a significant input to decision-making during the planning process. Regional 4-C committees became subcontractors, a role which differed from the original 4-C concept in which 4-Cs were to be responsible only as catalysts, community organizers or policy makers.

For the most part, parents and day care service providers responded to imposed requirements and, with few exceptions, were not consulted in the development of planning policies and procedures.

- What was the importance of information and its use in the planning process?

Information, as one of the more important ingredients in planning, appears to have been overlooked as a major category for systemization. There was no evidence of a master plan to collect, select, store, use and distribute information.

The following conclusions and recommendations deal only with the planning process and have ramifications for national FAP day care policy and for statewide FAP day care systems. In our judgment, the issues and recommendations are relevant to any of the fifty states.

## The Planning Process

### 1. FAP DAY CARE PLANNING

It seems evident that the Vermont experience reflected a great emphasis on the planning process and a lack of attention to the need for a planning design. Indeed, there may have been an assumption that the process was the design. Regardless of intent, however, the absence of a planning design contributed heavily to the confusion over expectations, use of resources, and assessments of progress.

*Recommendations*

A. Each state should develop its own FAP planning design based upon conformance with federal legal requirements but structured to produce an operations plan which can meet the special FAP needs of that state, including those related to day care for FAP eligible families. Such an operations plan should become a flexible blueprint, with a built-in evaluation system for providing accurate, timely and appropriate information for both immediate and long-range decisions. A planning design should include:

(1) clearly enunciated and agreed upon expectations (or outputs) both of the FAP planning process and of the program, itself;

(2) systems for obtaining, selecting, storing and using data for FAP planning decisions;

(3) systems for the development and implementation of FAP policies and procedures to ensure (a) a methodical approach to planning; (b) agreed upon criteria for decisions; and (c) an appropriate administrative framework for accomplishing the FAP goals of that state;

(4) a comprehensive decision-making system which integrates planning, operations (organization and management) and evaluation (program effectiveness assessment) as interdependent organizational elements, rather than separating them into sequentially discrete activities.

B. Statewide information about all existing day care resources should be collected, analyzed and evaluated before attempting to assess specialized day care requirements for FAP eligible families.

Such data collection should include actual operating experience and costs in order to adequately assess resource needs for program development, budgeting and other planning decisions. Premature assumptions about FAP day care needs and available day care services may lead either to excessive or to inadequate resource allocation.

C. Planning for FAP day care services should be designed to meet these two basic requirements:

- National policies as articulated in congressional FAP legislation and federal administrative regulations; and

- State FAP day care needs as determined by state officials in cooperation with local officials and community representatives.

It is recommended that national FAP day care policies include:

(1) criteria for defining and meeting minimum standards of quality day care for children;

(2) guidelines to states which clearly enunciate FAP day care objectives and suggest alternative methods of achievement;

(3) identification of one federal agency as the primary agent of the federal government in its FAP dealings with states in order to:

(a) dovetail all FAP-related programs to ensure an appropriate utilization of day care and related services;

(b) streamline working relationships among federal, state and local officials;

(c) reduce administrative overhead costs;

(d) simplify funding and monitoring procedures;

(e) coordinate the provision of broad level technical assistance to states;

(f) improve information content and processes;

(g) expedite decisions and actions; and

(h) reduce interagency competition for program control.

It is further recommended that state planning designs include:

(1) a clear statement of day care objectives based upon compliance with national policy;

(2) a time-phased work plan for collecting, selecting, analysing, evaluating and using information in planning for FAP day care;

(3) an inventory of all existing day care services by categories of type, clientele, funding sources and other relevant characteristics;

(4) an age group inventory of all children currently receiving day care services;

(5) an estimate of potential FAP day care consumers by location, age, and other relevant characteristics;

(6) an estimate of available and potential FAP day care services by location, type, clientele, funding sources and other relevant characteristics;

(7) an inventory of actual existing and projected day care costs in order to budget appropriately and adequately;

(8) an inventory of all public and private resources of money, personnel and facilities currently or potentially available for FAP day care;

(9) a layered information system which provides opportunities for participation in decision-making among affected individuals, organizations, agencies, day care providers, parents, employers and elected officials;

(10) a layered decision-making system which provides opportunities for participation in decision-making among affected individuals, organizations, agencies, day care providers, parents, employers and elected officials;

(11) an estimate of training and technical assistance needs and resources;

(12) an internal evaluation system designed to measure articulated expectations, outputs, quality of child care, cost-effectiveness and efficiency of service delivery and its relationship to FAP employment goals.

## 2. FAP DAY CARE ADMINISTRATION

Administrative problems were discovered to be a root cause of many conflicts in the Vermont pretest. Federal officials imposed administrative requirements on the state while neglecting to follow rudimentary management procedures, themselves.

If, indeed, this was to be a state pretest of a new concept through a search for innovative alternatives to the status quo, it seems unrealistic for Washington to have placed the whole experimental burden on the state while the federal agencies did business as usual.

For example, in 1970, HEW put the Operational Planning System (OPS) into regional and headquarters offices, under the direction of Thomas S. McFee, newly appointed Deputy Assistant Secretary for Management Planning and Technology. Yet, despite this apparent HEW emphasis on management by objectives at the top of the hierarchy, the Vermont FAP child care pretest appears to have been planned without using the available OPS resources.

But to blame the bureaucracy is to miss the point. A total systems approach is required to fully grasp the interdependent network of policy, information, decisions and actions at every level. Compartmentalized funding 1/ begins with legislation and is merely administered by the bureaucracy, not invented there.

In the Vermont pretest, categorical funding by program components required the usual efforts to coordinate, despite the futility of achieving voluntary service integration of independent programs. Policies and procedures followed traditional vertical funding patterns, which reached all the way from Washington to local day care operations.

Program implementation by vertical accounting systems is the federal-state-local status quo, and the Vermont pretest became just another federal program. Even the local program development work was described as a selling effort rather than a state-local partnership in resource development.2/

This program approach to day care problems generated typical results. Competition among staffs for program control led to proprietary identification with "my" budget while diffused responsibility amounted to no one being in charge.

Such diffusion resulted in the common attribution of decisions and authority to "it" (the committee, the agency, the government) rather than "they," "he," or "she,"--the actual decision makers.

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1/ See Figure 1, P. 129

2/ See Appendix A-1, p. 355

There is a middle ground between "here's the money, let's see what you can do with it" and heavy doses of complicated, legalistic guidelines which prevent programs from operating more often than they help. In the case of the Vermont pretest, there was some of both.

Large sums of money were allocated with no real guidelines, only some draft materials which Vermont staff opted to use and modify, reflecting the need to have some guidelines as a clue to what was expected.

At the other extreme, there were detailed instructions and policies to control fee schedules, rates, cost reimbursement and accounting systems, reflecting great attention to counting and measuring dollars as if, somehow, the manipulation of money was the most important element in the FAP plan and the key to its success.

There seemed to be no clear consensus on whether Vermont was just a laboratory for Washington or whether Federal agencies were providing resources so that Vermont could solve its problems by means of the pretest, while helping to develop national policy as a prototype state.

Subcontractors were hired to perform work, some of which was never used or was later proved to be irrelevant to the project's needs.

Pressures of time prevented adequate administrative preparation, so that more time was required later to solve preventable problems. "Hurry up and wait" followed the usual pattern.

### *Recommendations*

A viable day care administrative system should be developed jointly by federal and state officials, taking into consideration the ripple effects of policies and procedures at every level, and holding accountable for their management practices all federal, state and local officials.

Such an administrative system should:

A. Set definitive standards for quality child care from the beginning, not after a program is a year old.

B. Establish definitive guidelines and expectations in legal documents so that people responsible for operating and planning know what is expected of them and the program.

C. Establish measures for assessing achievements so that, at every step of the way, corrective measures can be taken to improve the program and its results.

D. Provide adequate and timely technical assistance through (1) written and verbal information on a systematic and prompt response basis, and (2) appropriate training for all levels of staff.

E. Include a useful communications system which has built into it (from the beginning) the collection, storage, selection, and use of accurate information which is easily accessible and available in a useful form.

F. Include a decision-making process which utilizes the lessons of the 1960's--that persons most affected by decisions must be involved in making them to gain acceptance (and, therefore, compliance) and to ensure a reasonable degree of success. The techniques and methods are difficult but take no more time, in the long run--and have a higher payoff--than top down autocratic rule-making which brings on active hostility and resistance.

### 3. FAP DAY CARE MONEY

The Vermont FAP child care pretest attempted to build a day care delivery system around predetermined fees and rate schedules based on projections of anticipated federal revenues. In the process, separate fiscal functions began to overlap and blur, creating a complicated financial system all out of proportion to its role. At the same time, limiting day care services planning to a target group may have been more expensive than planning for the total day care population. For example, the Mathematica baseline data and screening surveys could have included statewide information about Vermont's existing day care, its costs and utilization across the board. FAP data could have been extracted later, as needed, to determine actual costs of day care and other rate/fee-related items.

Better use of existing public and private facilities, equipment, staff and money might lead to a statewide day care program at less cost, per capita, from public funds than a program designed for a target population which results in a higher per capita administrative overhead cost.

*Recommendations*

A. A national FAP day care money management system should be designed which separates the following functions for greater efficiency in planning and operations:

(1) Budgeting, as a planning device which considers actual costs, contingency factors and actual or projected revenues.

(2) Fiscal Management, as broad scale decision making concerned with allocation of resources, priorities, policies, procedures and accountability.

(3) Accounting, as a system of records and reports, providing the data for budgeting and fiscal management.

B. A national FAP day care financial information system should be designed which includes federal guidance and assistance to states in mobilizing and using funds from all sources. Such a system should take state autonomy into account and should consider federal funds as one of several sources of financial assistance.

At the same time, such a system should include updated, accurate, periodical information about all available federal funds for day care and related services.

C. Each state should design its own internal day care financial information system to improve planning by the legislative and executive branches, and to assist in monitoring expenditures. Such a system would make information available about federal, state and local public and private day care funds.

## 4. FAP DAY CARE EVALUATION

The Vermont child care pretest neglected to build in routine data collection and did not develop criteria for assessing the results of the test. Despite the written contract requirements and two attempts at developing an evaluation plan, there is no overall internal evaluation system in place at this writing.

As alternative models of day care service systems began to develop, a few innovations emerged. But Vermont's pretest had no system to develop innovative models, measure their validity, compare them to others, record their development and progress, or evaluate their replicability. 1/

While evaluation is an integral, essential component of planning and action in any field of human endeavor, it is absolutely indispensable in the planning and implementation of new, innovative or experimental programs--especially an

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1/ See pp. 116-120.

experimental pretest such as the Vermont FAP Child Care System.

These premises proceed from a working definition of evaluation as a management tool which gathers data regarding process and product of a program in order to affect decision making. In other words, evaluation attempts to measure how efficiently and effectively an organizational system moves toward its end results and how well it actually does accomplish those results.

*Recommendations*

A. The DHEW Office of Child Development should assist state and local governments in designing and implementing internal FAP day care evaluation systems. The OCD should:

(1) clearly enunciate FAP day care policy with respect to national objectives and expectations;

(2) suggest and negotiate appropriate criteria and methodology for measuring FAP day care program effectiveness;

(3) suggest and negotiate appropriate criteria and methodology for measuring and comparing FAP day care alternative service delivery models;

(4) provide technical assistance through written materials and staff contacts;

(5) provide a central information clearing house to ensure the widest possible dissemination of findings and experiences; and

(6) analyze, evaluate and compare various state systems as they develop and function.

B. Each state agency responsible for planning and operating FAP day care should:

(1) design, develop and use an internal FAP day care evaluation system as an integral element of all planning and operating activities so that planning decisions can be based on timely, accurate and verifiable information; and

(2) commit sufficient resources to the systematic assessment of FAP day care program effectiveness to ensure the best use of public monies.

## The View from Vermont's OCD

Vermont's summary of its 1972 child care activities was appended to its request to HEW for FY '73 refunding. The report reflected the essential humanity and warm personal informality which characterized our experiences with the people of Vermont. It described the previous year's problems and difficulties, then lyrically anticipated a child care system not dependent upon FAP after 1973. A most significant paragraph revealed how far the child care system had come in a year:

> "In short the job ahead is management - this we are learning, is something qualitatively different from simply running an operation and implies changes at both higher and lower orders of detail. It emphasizes a fundamental preoccupation with information, one that is expressed structurally as well as personally."1/

## Summary of Findings

The Summary of LICD's findings have been organized into seven major categories in order to respond specifically to the questions posed by the Department of Health, Education and Welfare, which funded this study. To aid the reader, references to detailed findings and analyses have been included.

A. How valid were the basic assumptions of the child care provisions of the FAP legislation?

Regardless of all other considerations of the FAP pretest, the fundamental question remained: Were FAP eligible parents either working or in training for employment because child care service was available to them?

Because there was no concommitant pretest of a FAP income maintenance system, Vermont's FAP child care pretest was inadequate as a method for assessing the validity of the basic child care assumptions in the legislation.

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1/ Babbott, Joan G., M.D., Director, Vermont Office of Child Development, Request for Refunding FY '1972, (Vermont to D/HEW). Fiscal Year '72 p. 16.

A total statewide FAP system might have included job development, placement and training as well as referral systems and family-centered records. However, in the absence of such a total pretest we looked for linkages between FAP eligible family work/training activities and their utilization of the day care service. For example, we learned that 37 of the 50 sample sites surveyed were started after October, 1970,1/ and that 20 of those 37 sites said they provided services to FAP children.

About 80% of the parents interviewed had enrolled their children because they were working and an additional 10% were in training.

About 30% of the working parents said they had obtained their jobs through a government program and 40% of those named FAP. The others said they obtained their jobs through such agencies as: WIN, Mainstream, the Department of Social Welfare, the Employment Service, Head Start, the Vermont Civil Service and the State Police. If any of these jobs were a result of FAP referrals, the parents interviewed did not know that. However, nearly half the parents interviewed said they had not been employed before enrolling their children in day care.2/

State billing records showed payments for FAP day care services for 50 children in FY 1971 and 505 children in FY 1972. The billing records also showed that Title IV-A monies paid for 293 children in FY 1971 and 608 children in FY 1972.3/

Due to the fact that only a few of the parents interviewed said they were "FAP" families, that most of the day care operators did not know how many of their families participated in FAP, (See Chapter 2), and that most of the 4-C leaders did not know how many of their families participated in FAP, (see Chapter 5) only the day care billing records seemed to link FAP and Title IV-A resources with working parents' use of the day care system. The Vermont FAP child care pretest, therefore, could not produce reliable assessment data re "...the extent to which the availability of child care contributed to increased labor force participation of FAP eligibles..."4/ because the basic concept was never tested. However, it seemed evident that working parents in Vermont used the day care services, which had been made available because of the pretest's use of 1110, 1115 and Title IV-A monies5/ and, to that extent, the most basic assumption of the FAP legislation was verified: that FAP eligible parents would use public day care services if they were available.

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1/ When Vermont's Day Care Unit began, supported by FAP funds

2/ Volume II, Chapter 2, People, pp. 196-211

3/ See Appendix D-2 for details, p. 384

4/ "Vermont Evaluation Objectives," Mary Siegel, FAP, p. 9.

5/ See Glossary for details

### B. What were the costs of administering the system and how could these be assessed?

Shifts in administrative responsibility during FY 1971 and 1972 contributed to incomplete and inadequate information about revenues and expenditures at the state level. From available figures, it appeared that the Vermont day care system, in FY 1971, spent an estimated $530,028.00 broken down as follows:

| | | |
|---|---|---|
| Child Care Services: | | |
| Title IV-A | $ 210,000. 1/ | |
| FAP | 28,602. | |
| | $ 238,602. | |
| Food: | | |
| Reimbursements | $ 55,038. | |
| Surplus Commodities | (19,376.) 2/ | |
| | $ 74,414 | |
| Administration: | | |
| FAP Child Care Planning | $ 15,232. 3/ | |
| Day Care Administration | 101,780. 4/ | |
| | $ 217,012. | |
| | Total | $636,577. |

New program start up costs probably accounted for at least $165,232.00 of the administrative portion which left approximately $51,780.00 for direct administration of the day care system by the Day Care Unit.

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1/ estimated total derived from 25% state and local matching share.

2/ equivalent dollar value.

3/ includes 20% of Baseline Survey Costs to Mathematica, Inc.

4/ includes $50,000.00 training and technical assistance contract with Thiokol Corporation.

Chapter 2, Money and Chapter 3, Controls describe money management factors which impacted on the day care system. In the absence of more reliable information than was available to us during this study, it was not possible to arrive at an assessment of actual costs, either of delivering FAP day care or of measuring the system.

C. To what extent were child care delivery system variables responsive to the needs of FAP eligible families?

Child Care delivery system variables were defined as policies, procedures and resources used to make day care services available to FAP eligible families.

Overall, the pretest appeared to demonstrate that Vermont parents would use day care resources, if available, so they could take jobs or employment for training. However, since there was little reliable data from the Vermont pretest to directly associate those working parents with the FAP-related activities of the pretest, we know only that the FAP money brought day care to Vermont and some expectations that, if jobs were available, welfare recipients and other low income people who needed child care could go to work. The planners seemed to assume, however, that a statewide day care system could be operated without considering the details of service delivery.

For example, one major issue remained unresolved: were all children eligible for day care being served? The 88 parents interviewed had a total of 223 children. Two hundred ten of them were of day care age. Of that number, 133 were enrolled in day care. The parents of the remaining 77 eligible children made other child care arrangements with relatives or friends. As a result, at a meeting conducted by SOCD near the close of this study, day care operators expressed concern that the (current) funding "freeze" would force them to turn away "...school age brothers and sisters" expected during the summer vacation from school, forcing mothers to drop their jobs to stay home with their children.[1/]

As another example, site operators and the 4-C organizations saw their constituents as children, not families. Accordingly, they did not maintain records with a tabulated summary of the eligibility status or activities of the families participating in their day care programs.

Additionally, many of them said that the fee schedule was not responsive to the parents' actual economic situation and,

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[1/] Appendix R-1

in some cases, created a hardship because the fees were based on gross rather than net income.

One other major criticism attacked a billing procedure assumption that incomes did not change and that hours of employment were constant.

By and large, most of the parents surveyed said they were satisfied with the services their children were receiving.

D. To what extent was the operating system an implementation of the Operations Plan?[1]

LICD used three criteria in evaluating the viability of the Vermont Operations Plan:

1. To what extent did it express a systematic process for organizing and operating FAP day care service programs on a statewide basis?
2. To what extent did it reflect compliance with Federal Interagency Day Care Requirements pursuant to Sec. 522(d) EOA, 1968?
3. To what extent did it reflect compliance with the contractual agreement between DHEW and the State of Vermont to develop an Operations Plan?

As written, the Plan could have been titled "Operational recommendations for determining eligibility, referral and placement methods, and fee/cost systems of FAP child day care services." This would more accurately have identified its boundaries since it would be extremely difficult for someone to determine how and under what conditions a program would operate once families were declared eligible, referrals completed, and children placed in a day care program.

Throughout the Plan there appeared to be an unstated, underlying assumption that criteria on eligibility, referral, placement, fees and payment would somehow assure that the right pieces would come together in support of quality day care objectives with an appropriate system to meet them.

The Plan covered, in considerable detail, methods for determining FAP eligibility, referral and placement of eligible children, and how to establish fees and cut-offs. It did not tell how to

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[1] See Chap. 1, The Operations Plan: A Critique

(a) organize, administer and operate daily activities,

(b) organize and implement staffing patterns (other than a recommended staff-child ratio),

(c) conduct community involvement and parent participation activities,

(d) develop and utilize an information system,

(e) develop and utilize necessary support services,

(f) monitor and evaluate program quality.

Throughout, operational details focused on referral, eligibility and fee systems with little or no attention to the content or the nature of day care services.

The operational system then, was merely a skeletal outline which expected the reader to either invent "benchmark data" indicators, consult with local Child Care Unit staff to develop a recording system, eliminate the recommended procedure for some other evaluation scheme, or use the C & D forms in Appendix B if available. The operations plan, in general, contained ideas and categories for inquiry or process but no implementation system.

There was a pattern of presenting a method, backed up by some form of assumption and/or justification, but no prescriptive action on how to implement whatever that choice might be.

The Operations Plan appeared to be a series of recommendations and descriptions of some on-going efforts to establish a basis for a workable plan. Its wrap-up paragraph supports the observation that we were reading a proposal from which guidelines could be generated.

Overall, it appeared that the Operations Plan could not be implemented as a day care delivery system because it did not provide a statewide basis for dealing with day-to-day operating experiences. Except in the Burlington-Morrisville area where specific policies and procedures were developed to link day care with the other FAP services, the Plan remained a statement of hopeful intentions and fiscal controls rather than a blue-print for action.

The missing ingredient in the Operations Plan was a format for human interaction--the process by which information could be shared, decisions made and actions taken.

## E. "How well" and "how quickly" did the operating system work to attain the pretest objective of a statewide delivery system to provide "stable, quality child care for FAP eligible families?"

All of the study findings pointed to deficiencies in "how well" the system provided "stable, quality day care." It seemed that the need to "quickly" set the program in place and put children into day care facilities took precedence over the services the children were to receive once they got there. What was needed were general policies and conceptual foundations upon which structure and operating procedures could be built, each appropriate to meet the needs or solve the problems of the people involved - rather than someone's idea of a "model" which could be packaged and marketed as if it were cheese.

Along other lines, the word "system" seemed to develop shades of meaning as the work progressed. LICD staff assumed that the use of the word in the program's title1/ explicitly required the development of an operational mechanism which would deliver child care services to FAP eligible persons. Yet, the only parts of the total "Child Care Service System" which were precisely detailed had to do with the economic aspects of the whole, e.g., eligibility requirements, fee collection, rate setting and billing procedures. A child care delivery system which assumed that services would be provided because "optional" types of services were "suggested" could hardly be called a service delivery system. The missing ingredients could have included:

(a) an updated accurate inventory of all available statewide day care resources, including supportive services;

(b) a viable information system to relay the same facts about day care including referrals, to all persons involved at the state, 4-C and site levels;

(c) a centralized mechanism for assisting FAP eligible families to learn about the program, participate in the program and to receive whatever advice or consultation they needed to make best use of the program;

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1/ Vermont Model FAP Child Care Service System

(d) a simple and comprehensible set of child care standards which applied to all providers of day care service and could be monitored and enforced in a systematic way; and

(e) a tiered mechanism for decision-making which could have made it possible to receive input from various levels of the statewide system, as appropriate, and could have been part of a built-in evaluation system.[1]

F. What were the state and local factors which facilitated or inhibited delivery of "stable, quality child care service."

Facilitating factors included:

- Vermont Day Care Licensing Procedure. Despite its problems with not enough staff, it provided a good foundation for building a stable, quality day care system.
- 4-C concept. With its focus on child development, it helped facilitate the establishment of a quality day care service by off-setting the heavy emphasis on money management and eligibility requirements placed on the operators by the state.
- Individual creative energies. Talented people developed new ways of doing things at all levels. In several cases, their energies were directed to the development and operation of a quality day care service despite federal and state guidelines and procedures which were directed toward economic objectives only.
- Vermont's candor and informality. The people's concern for children and welfare reform combined with a willingness and flexibility to shift gears frequently as necessary, contributed to the promise of a quality day care system.
- Use of the Federal Interagency Day Care Requirements. They provided standards and the ingredients for a quality day care service. While Vermont needed to build a system in order to comply with them, the

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1/ Remembering that decisions require information, see (b) above.

Requirements could be used as a basic policy guide in structuring a child-centered delivery system.

- Newness. Vermont had the opportunity to start a new program from scratch without the kind of baggage which comes from doing things "the right (or wrong) way" for years.

Inhibiting factors included:

- No income maintenance pretest. The day care system was originally conceived as part of a larger pretest and suffered from attempting to live with the constraints imposed by the FAP concept without, at the same time, having the advantages of its potential benefits.
- "No one in charge". Shifts of personnel and agency responsibility, combined with inadequate information and decision-making processes, created the impression that no one was in charge when answers were hard to get or were unsatisfactory; further compounded by passing decision-making to the 4-C and operating levels without a framework of statewide policies.
- Funding insecurity. The tentative nature of a pretest with its dependence on temporary "Special Projects Funds" created an atmosphere of insecurity which permeated the program at every level, but hit hardest at low-income care providers.
- Economic emphasis. The heavy emphasis on FAP fiscal controls distorted the overall design of the system and created unnecessary obstacles which delayed its development.
- Unrealistic eligibility requirements and reimbursement rates. These FAP requirements became a device to screen out rather than screen in clientele because they considered neither net income nor actual costs of providing the service even though the state was required to comply with the Federal Interagency Day Care Requirements standards of service.
- Separation of planning and operations. The FAP versus quality child care schism was exemplified in the physical separation of the FAP Planning staff from the Day Care Operations staff. The logical outcome of that sectarian relationship was a two-track day care system which tried to provide a difficult and expensive human service

while dependent upon multiple funding sources. which were designed for other purposes.

- The Plan was not a plan. As originally agreed, Vermont was to produce a model plan as an implemental device for organizing and operating a statewide day care system for FAP eligible families. The plan, however, proved to be an excellent exposition of FAP objectives without the necessary elements for attaining child care objectives.

- Inexperience with federal relations. State level decision-makers were, for the most part, inexperienced in the ways of federal-state relations so that some federal decisions or requirements that might have been challenged or modified (as being of questionable benefit to Vermont) were accepted as inevitable, regardless of their consequences.

- No information system. Crisis management was one outgrowth of the lack of information which had a ripple effect on all aspects of the pretest. No machinery was developed to collect, select, store, use and distribute information for decisions or action. Without appropriate information, there was no way to anticipate problems, evaluate actions or assess the consequences of policy decisions. Training and technical assistance, as information disseminating methods, should have been integral elements of a statewide information network.

- Top-down decisions. Crucial policy decisions were made in Washington despite a stated FAP objective to encourage state and local option. In analyzing Vermont's decision-making processes, it seemed that difficult action decisions (e.g., adding children with a reduced funding level) were transferred to the 4-Cs and sites while conceptual abstractions (e.g., adult-child ratios) and critical funding decisions were made by state and federal officials without feedback from the field.

G. What were the broad problem areas and the specific problems of the operating system? What were their causes and how could they be prevented?

The broad problem areas were Information, Decision-making, Controls and Use of Resources, especially the use of people, money, the 4-C mechanism and supportive resources.[1] Each of these is summarized briefly below.

### 1. Information

Information is the most essential ingredient of any system and had the lowest priority in Vermont's pretest. Over and over again, all sorts of problems could be traced to the absence of reliable, timely, useful information about nearly every subject.

Because of the special importance of information as central to the day care system, the LICD investigation focused on how information was obtained, selected, stored, used and disseminated. Starting with the Baseline Survey,[2] Vermont attempted to collect information about day care needs and resources. Except for the field data collection related to the Mathematica study, however, we learned that decision-makers did not systematically attempt to obtain information from the field until well into the second year of the pretest. Feedback information would have been useful not only for obtaining current assessments of client needs and resource inventories, but, equally important, it could have been useful in determining how well the system was working. Most of the regular feedback from sites to 4-C to state consisted of complaints or crises which needed immediate action, but no central record was kept of such transactions either for operating decisions or for long-range planning.

For example, field people at the state level each worked independently and kept their own records and files. At the same time, 4-C committees did not maintain records with a tabulated summary of the eligibility status of the families participating in their day care programs.

This lack of specific data may have stemmed from a feeling that the eligibility status of day care families was not a 4-C responsibility, or it may have reflected the absence of a statewide information system useful to the 4-Cs as a planning and evaluation tool to help gauge the extent of the 4-C impact on the FAP and Title IV-A target population.

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[1] See Chapters 2-8 in Vol. II for detailed analysis of findings.

[2] Mathematica, Inc., Family Assistance Program Planning Papers, Volume V. Reports on the Baseline Survey and Cost Projections, March, 1971.

Recognizing the problem, Vermont OCD, early in FY 1972, began to develop a formal management information system which was still in the trial and error stage during the closing period of the LICD study. However, one 4-C leader complained that "they did not understand" OCD forms #101, 102 and 103 and had been waiting for "someone from OCD to explain them." This leader said that once they understood these forms, they would "know the information you are asking for."1/

Data kept by the day care operators also reflected a lack of uniformity in record-keeping and reporting. Expenditure and income records were seen as "most useful" to the operators, but were not centrally collected or used for area-wide or statewide decisions, and not all the required records were useful. For example, the food service reimbursement program required that highly detailed control records be maintained at each site for at least three years, under Department of Agriculture regulations. LICD staff could find no rationale for the method used to control food services at the operating level, particularly since no one in Vermont was interviewed with responsibility for reviewing them or using them. We were told, however, that "someone from the Department of Agriculture once looked at a center's records." Control of surplus commodities required records which provided specific information to show dates and amounts of commodities received, how much of each commodity was used during the month, and the balance on hand at the close of each reporting period.

We received the general impression of a one way information system, top down with no method to test whether or not the "message" had been received, understood or correctly applied. For example, some sites consistently submitted incomplete or inaccurate billing reports, but we found no evidence of a system to collect information to identify the source of the problems. At another level, several state officials each thought another of them exercised day care budget control when, in fact, no one did. At the same time, site level people were expected to comply with complicated regulations on the faulty assumption that they had copies of them, had read and understood them, knew what to do in order to comply with them, or knew where to turn for assistance.

The point here is that there was no systematic flow of information which could be tapped and adjusted as needed. Many of the problems which seemed to defy resolution, when traced to

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1/ See Appendix O. Data Collection for The Office of Child Development. These were the instructions for the Vermont OCD Management Information System.

their source, revealed that information was missing, was incomplete, was incomprehensive, was inaccurate or was late. Consequently, some 4-C leaders and site operators attempted to develop policies and procedures to meet their own needs for firm statements of fact, whether or not they meshed with "official" positions.

In the absence of official guidelines and policies, one 4-C leader began to write a step-by-step procedure for organizing and developing a 4-C Day Care program, then discontinued the effort when the State OCD staff said they were developing such a manual. One 4-C was developing functional forms to be used for specific 4-C activities and functions. Another 4-C had developed a verbal procedure for determining eligibility, billing, reimbursement and site approval. Still another 4-C developed a "Caretaker checklist, out of the necessity to create order out of chaos," and because it helped the 4-C staff "to provide information to upgrade the quality of care." Another 4-C developed a new face sheet for the monthly billing, designed to meet its need for health and billing records.

Overall, the Vermont referral system was so informal that referrals depended on personal knowledge of available resources and ability to obtain them. In only a few situations were forms used.

There was no uniform procedure which all day care directors followed in certifying the eligibility of day care families. Without adequate information, instruction and technical assistance, it was unrealistic for planners to expect day care providers to handle the certification of eligibility.

It is interesting to note that both the day care directors and state officials who had helped the operators with eligibility and fee computation reports isolated the major problem as "interpretation of the rules".

As further evidence of the pervasive nature of this problem, correspondence from state to federal officials sometimes contained the same pleas for "urgent decisions" on policy matters that appeared in correspondence from 4-C leaders to the state. Long lists of questions needing answers moved back and forth from Montpelier to Washington as the need for information grew in direct proportion to the complexities of the program. Stridency came through occasionally as patience wore thin from long delayed responses, from Washington to Vermont and on down the line.

Semantics presented some problems, too. Unlicensed day care sites were called "Caretakers" in Vermont, but some of them were confused with satellite homes and other types of licensed homes. Nearly everyone at the state and 4-C level referred to day care facilities as "centers", further confusing communications because of the several distinctive categories of day care providers which included two types of centers, one of them licensed for thirty or more children and the other licensed for less than thirty children. In order to handle these distinctions, LICD consistently identified all day care providers as "sites."

Another source of anxiety among persons involved in the Vermont day care system was speculative information about pending national legislation. LICD investigators were asked about various proposed amendments and bills concerning welfare reform and child care by nearly half the persons surveyed. We also noted that certain state officials, toward the close of our study, had begun to receive daily copies of the Congressional Record, another manifestation of growing interest in national affairs and their potential implications for Vermont.

LICD findings verified the importance and impact of Vermont's information processes on "how well" the day care system operated. There was no part of the system unaffected by the availability or absence of accurate, timely, useful information, but some elements of the system were more dependent on information and hence more visibly affected, such as compliance enforcement and decision-making. Vermont's movement toward automation and a management information system indicated an awareness of the problem.

The state's characteristic informality could have been an important feedback asset if used as an integral element of a statewide information system. LICD's use of the question, "If you had the power, how would you change the day care system?" demonstrated the value of providing an opportunity for the real experts--the people who were the system--to be heard.

In an age of dependence on bureaucratic machinery, Vermont's informality was refreshing. But LICD staff observed the transformation of some state staff from relatively easy-going and optimistic goal-centered folks to more traditional, cautious state officials in less than a year.

In our judgment, both the lack of reliable shared information and of a human interaction system to systematically share responsibilities and tasks probably contributed most heavily to the result.

Experience has demonstrated that when there is a void in the system, such as a lack of readily available information in a useful form, mistrust, suspicion and conflicts develop. The well-worn credibility gap is one other consequence. Freedom of informality is possible only when people trust one another because they know what is expected of them and have a pretty clear understanding of their roles and responsibilities in relation to one another. Reliable information is the foundation of such trust.

As evidence of its sensitivity to the problem, the SOCD's FY 1973 funding proposal included several new positions which carried the promise of capability to deal with information systems questions.

## 2. Decision-making

Decision making in the FAP day care pretest was usually top-down with respect to every aspect of importance except parental option to select the day care providers of their choice. Even then, unless alternative sites were available and readily accessible, that option, too, may have been illusory.

At the same time, certain policy questions which could only be decided at the state level were left either unresolved or uncommunicated while regional 4-Cs and day care providers groped for answers, took action on their own or quietly gave up.

In general, LICD investigators found significant dissatisfaction with the decision-making process at every level of inquiry. There was frustration over a lack of specific and timely answers to operating as well as policy questions. This problem touched people everywhere in the program, from federal through state to 4-C and day care sites. In some cases, we found that decisions had been made but had not been adequately communicated. In most cases, however, decisions could not be identified firmly so that they could be acted upon, particularly at the 4-C and site levels.

Parent participation in decision-making, an avowed objective in the HEW/Vermont contract, was built into the Operations Plan as representation on advisory and policy boards, with some appeals procedures for parents (and others) with grievances over equitable representation. The data show, however, that most parent involvement, however limited, resulted from interaction with operators and staff at the sites and somewhat less frequently through formally structured boards. This finding points to the need to reassess prevailing perceptions of parent involvement and to encourage such activities to evolve in ways best suited to the parents.

In summary, then, decisions were made at every level by everyone in the system, with greater or lesser consequences. In the absence of useful information, many operating decisions were responses to crises. And there was no evidence of systematic decision-making which sought and considered information from the field.

Starting with the Operations Plan, the Vermont FAP day care program was itself a response to decisions made in Washington--understandably, since the purpose of the whole exercise was to test the validity of some basic assumptions in proposed federal welfare reform legislation. One of those assumptions was that making money available for child care (with minimum restraints on its use and maximum restraints on eligibility and amounts) would quickly produce enough "satisfactory" day care to meet programmatic needs. Consistent with that assumption. Therefore, decisions were made by Vermont state officials who may have underestimated the impact of those decisions on the people most affected: the 4-C Committees, day care providers, community-at-large and day care consumers--parents and children. In this context, the absence of a decision may have been even more significant than an articulated decision since LICD findings substantially supported the notion that "no one was in charge."

However, the data disclosed not so much that "no one" was in charge of anything, but rather that someone was in charge of economic FAP-related policy decisions while no one seemed to be in charge of day care service delivery decisions. That dichotomous aspect of the pretest had an enormous impact on the character of Vermont's lopsided day care system, and accounted for much of what "went wrong."

When faced with choosing among alternatives such as reducing the number of children, reducing the quality of service or losing money, day care providers looked to the state for policy decisions and received exhortations "...to handle those kinds of decisions at their own level."1/

One major policy decision which remained unresolved at the close of our study concerned the need for a definition of "stable, quality child care." Vermont's attempt at program quality assessment in April, 1972, resulted in a formal report2/ which did not provide enough information to be useful, primarily because of the unrealistic constraints placed upon the state staff by HEW. 3/

> Vermont OCD will limit its assessment of the FAP day care program to the following question: Is the day care site meeting the minimum standards identified in the Federal Interagency Day Care Requirements issued in 1968? 4/

The report is, on the whole, self-explanatory. It reveals the difficulties encountered by Vermont staff in following the rigid specifications laid down on them. The introduction also reflects disappointment with a methodology which did not produce much substantive information about program quality.

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1/ See Appendix R-1

2/ See Appendix P

3/ See Chapter 4, Controls pp. 258-261

4/ Program Quality Assessment, Working Outline, January 14, 1972

On the other hand, since it was a Vermont staff decision to use the FIADCR format and phraseology, it seems unrealistic to find fault with that document for its "lack of clarity" or "vagueness."

Regardless, evaluation is not a test to be "passed or failed," it is a management tool which gathers data regarding process and product of a program in order to affect decision making. In other words, evaluation attempts to measure how efficiently and effectively an organizational system moves toward its end results and how well it actually does accomplish those results.

Therefore, in the judgment of LICD staff evaluators, the information gleaned from the FIADCR compliance "test" was inadequate for purposes of determining achievement of program quality. In fact, the limitations of the technique did not even produce meaningful information about FIADCR compliance for the reasons given in the report.

By testing compliance with FIADCR in this way, no assessment was made of the extent to which the FIADCR standards were known and understood by the persons surveyed. Nor was there an attempt to evaluate the state's efforts in establishing, promoting and monitoring compliance with those standards.

The test results, therefore, present a flatly negative view of certain conditions without adequate explanation of how or why those conditions exist. More importantly, the results tell us nothing about the impact of the program on the children served, a rather significant oversight for a day care program quality assessment.

In Day Care Nightmare, Patricia Bourne and her staff made the point in another way: "Public regulations set the ingredients for success (i.e., high quality day care) we do not know whether these ingredients are either necessary or sufficient to the conditions for success" 1/ "...from the point of view of the child, programs having x, y, z characteristics are the input and the effectiveness of this input must, from the child's point of view, be measured in terms of its effectiveness in meeting his needs." 2/ "...Measuring the ratio of adults to children is straightforward and comfortable; measuring the development of a child's sense of competence and sense of self is very, very difficult." 3/

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1/ Day Care Nightmare--a child centered view of child care-- by Patricia G. Bourne, Elliott A. Medrich, Louis Steadwell, Donald Barr, February, 1971, p. 59

2/ Ibid p. 47

3/ Ibid, p. 60

## 3. Controls

Vermont's problems with control factors resulted from its attempts to adapt a loose, humanistic informal style to the need for precise compliance with legal requirements.

The exercise of control or enforcement rests upon the assumption that the rules are known and understood.

Vermont day care providers were expected to comply with federal and state regulations and requirements despite the absence of an information system and the lack of a clearly defined delivery system. Only the state licensing process could be sharply identified as a tangible control mechanism.

Through a variety of documents, an attempt was made to impose controls vertically from federal to state, and then to area 4-C organizations and to day care sites.

In order to evaluate this aspect of Vermont's day care operations, LICD staff investigated six obvious areas of control:

- FAP and Title IV-A rules, as enunciated in the HEW/Vermont Contract, the Operations Plan, the FAP Interim Guidelines and Operating Procedures and other related federal and state documents;
- Federal Interagency Day Care Requirements;
- Vermont state licensing policies and procedures;
- Vermont day care contracts compliance;
- Vermont day care budget control; and
- Vermont day care program quality control.

### Child-Adult Ratios

Vermont's FAP day care pretest emphasized two major areas of control, money and child-adult ratios. Of these, the latter became the most important element drawn from the Federal Interagency Day Care Requirements.

Compliance with child-adult ratios was difficult to gauge because of the fluid nature of the variables taken into consideration. These included:

(a.) Child attendance. Identification of enrollees as full time or part time varied widely in the absence of state standards which clearly identified these categories. We found that children were identified as full time enrollees who attended anywhere from five to eight or more hours a day, generally five days a week. Part time enrollees attendance varied from a couple of hours a day, once every week or two, to four hours per day, five days per week. Some children attended sporadically, on an as-needed basis, sometimes full time, sometimes part time.

(b.) Staff attendance. Similar problems existed in attempting to compute full or part time adult attendance, particularly since volunteers were included in the ratio. For example, in attempting to tabulate child-adult ratios at the fifty sample sites, LICD evaluators found the data too unreliable to use, particularly since standardized attendance records and reports did not exist.

(c.) Volunteers. Volunteers were computed in the child-adult ratio and, as expected, had a fluctuating attendance. Nevertheless, we found no evidence of an attempt to grapple with this issue, either in any of the Vermont work or even in the Federal Interagency Day Care Requirements, which set forth the numerical ratios but stop short of explaining how to achieve them.

(d.) Special Problems. Children who require more adult attention because of age, handicaps or other special considerations, presented ratio compliance problems. At the same time, staff capability seemed either to reduce or to increase ratio problems, pointing up the importance of shared information, useful training experiences and variations in adult roles and responsibilities.

(e.) Activities. Ratios were also affected by facilities, equipment and supplies, since the nature and type of child-adult interaction and environmental factors were said to have a bearing on the number of children each adult could successfully handle at any given time.

Although a child-staff ratio policy had been developed by the state OCD and approved by the HEW-OCD Project Officer in October of 1971,[1] it seemed evident from the responses we received that the policy, as stated, either had not been implemented in the field or was inadequate to answer the complicated questions raised by operating staffs.

## Licensing

Biggest complaint of the licensers was their inability to effectively do their job due to the shortage of staff and the resulting increase in the workload. In addition, licensers said there was no training as such for the staff to help them deal with problems of the sites.

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[1] Letter from Joan G. Babbott, M. D. to Sam Granato, October 4, 1971.

A cutback in staff also impacted the state's ability to monitor sites for compliance after a license was issued. Nevertheless, the Chief Licenser expressed a strong desire to move into compliance monitoring.

Based on our findings, it seemed evident that the state licensing system did not build in a role for the 4-C area committees at any step of the process, despite the shortage of state staff and the need to monitor for compliance.

The Caretakers

Starting in 1966, state licensing was required of every Vermont facility which cared for children of more than two families. This provision exempted some home care operations which otherwise met minimum FAP child care standards. Early in the pretest, there was considerable controversy over FAP reimbursement of parental optional selection of these unlicensed home facilities.

With respect to its control implications, the Child Care service Contract defined a "Vendor" as "a state licensed child care service provider" and a "caretaker" as: "...a child care service provider legally exempt from State of Vermont child care licensing regulations but required to meet minimum approval criteria as set forth by the Office (of Child Development)". In paragraph 9, the contract states:

"The Corporation (4-C) shall arrange for child care services to be provided for eligible children by child care vendors licensed by the State of Vermont and in conformance with Federal Interagency Day Care Regulations or by Corporation and Office (SOCD) approved caretakers..."

As written, this paragraph specifically excludes "caretaker" providers from compliance with Federal Interagency Day Care Requirements, despite the language of that document which requires unlicensed day care providers to "...meet the standards of licensing applicable in the State."1/

The separation of "vendors" from "caretakers" raised serious questions of quality control since the Caretaker Appraisal Criteria document2/ was a statement of standards which were not built into a system to monitor for compliance, such as the licensing process, for example.

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1/ Op. Cit. p. 2

2/ See Appendix D-3

## Budget Control

All of the 4-C Child Care Service Contracts included categorical budgets but LICD staff found no system of budget control. In the course of our investigation, we learned that bills for FAP and Title IV-A reimbursement were approved for payment at every level without reference to financial allocations by 4-C area or contractual stipulations. The only point of control was at the last step of the payment process when staff of the state treasurer verified the bank balance before signing the reimbursement checks. This lack of fiscal control meant there was no readily available information on how much was spent for what or when--or how much was left, except in the big pot of money at the state treasury. However, state officials were aware of the problem and had begun to develop a budget control system by April, 1972.

## Policies and Procedures

The use of forms, guidelines and other instructional materials was anticipated in the Plan and later developed for operations. LICD field data, however, revealed confusion, ineffective use and inadequate understanding of many materials. For example, some state officials tended to describe their guidelines as "clear-cut" and needing only to be "used properly" to be effective. Some 4-C leaders and site operators, on the other hand, complained of "complicated" and "conflicting" instructions or of not getting "the right" information when they needed it, especially official decisions.

Based on the 4-C responses to LICD questions, it appeared that SOCD had assumed responsibility for the development and publication of policies and procedures and the 4-Cs had become the interpreters of the law for the day care operators. It would also appear that the policies were not determined in any systematic fashion but were sent out sporadically in memoranda which were not uniformly received by all the 4-Cs. The FAP Interim Guidelines issued by the State OCD on August 23, 1971, were the only published procedures. Essentially, that document covered only eligibility and billing procedures and did not cover day care service delivery.

The Operations Plan diffused administrative responsibility for decisions and implementation of FAP eligibility and fiscal controls among various jurisdictions, depending on when parent/agency contact was established and the type and level of decision or action required. Problems of implementing what may be considered the most detailed portions of the Plan became apparent in responses to the LICD survey of State, 4-C, local site operators and consumers of child day care services. Despite the Plan's detail of what to do under certain circumstances, how to do it remained unclear at all levels of planning and operation.

LICD field data reflects confusion about both reimbursement and payment methods from the point of determining when and how to calculate fees, to determining dates for submitting bills for payment. The extent of frustration with budget, accounting and other control systems varied with the bureaucratic level of one's job, levels of interagency communication, accuracy of information, and regional variation in 4-C day care site relationships.

The tendency in the Operations Plan to stress local flexibility, while a strong point for potential expression of felt needs, was considered to be a deterrent by some state policy makers who had anticipated compliance with "clear cut guidelines"

### 4. Use of Resources

Regardless of all the other dimensions of Vermont's FAP day care pretest, what may turn out to be a most significant factor was implied in the information that about half of the sample sites operated out of private homes. Vermont's pretest challenged the assumption that quality child care was somehow related to centers or institutional facilities, rather than a product of human interaction and imaginative use of resources. If the Vermont experiment was disappointing to some, that reaction may have been more a consequence of unrealized potential than imperfect achievement.

#### People

Considering people to be the most important resource of the day care system, LICD staff wanted to learn who they were, what they did and how they perceived themselves and one another in relation to getting the job done: providing child care for FAP eligible families.

This line of inquiry provided information about personal characteristics, levels of experience and education, roles, relationships, decision-making, information processes, technical assistance and training.

State staff said they were responsible for planning, organizing, assisting and administering the Vermont day care program. These responsibilities included developing and promulgating policies and procedures, allocating resources, establishing fiscal and managerial controls, establishing program quality standards and compliance mechanisms such as licensing and providing support services such as technical assistance and training.

All other people in the system were responsible for trying to find ways to get the job done. The people at the sites were faced with the double-barrelled task of caring for children while meeting the standards of program and accountability imposed from above. It must be noted here that all of the guidelines, regulations and administrative machinery reached their final destination at the sites.

Although the need for training at all levels was articulated repeatedly in all the official documents, LICD staff found no evidence of a statewide training plan for state, 4-C and site staffs, boards or parents. The state's contract with Thiokol had resulted in a training program for state, 4-C and Head Start staffs early in the program.[1] Any additional training was provided by three state trainers who covered the state and attempted to assess and meet training needs as they perceived them. Training was also provided by the state's program developers in administrative areas such as certification of programs, and a few used a university, training organization or local public or private agencies. LICD's findings revealed that many innovative energies generated at the local level were contained at that level. While some people with good ideas saw them put into action, there was little attempt on SOCD's part to channel these energies as innovative resources to the day care system.

## Money

While Vermont spent substantial time and effort on establishing and enforcing compliance with the rate schedules, LICD data show that considerably less attention was given to expenditure and accountability matters. With few exceptions, most state and 4-C personnel shared one characteristic in common--the inability to provide accurate revenue and expenditure figures upon request. LICD findings reflect that phenomena and include financial information obtained at interviews and pieced together.

Most of the 4-C leaders were not able to provide detailed information about their income and expenditures. Each 4-C maintained separate records for FAP, Title IV-A, and Parent Fees, but most of them had no record of their day care sites' income or expenditures, even through many said that the sites were "losing money" and needed more funds.

As the LICD investigation drew to a close in May, 1972, Vermont newspapers reported angry meetings between state officials and representatives of 4-C and day care providers who objected to projected budget cuts plus the transfer of 900 additional children from the Welfare Department's rolls to day care, and their apparent inability to influence these decisions. As the day care pretest neared the close of its second year, state officials announced that all Title IV-A matching funds (25%) would be expected to come from local communities, (through 4-C activities) rather than only 12 1/2% which had been matched by 12 1/2% from the state's general fund.

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[1] See pp. 121-125

State officials were also worried about financing a statewide day care program without the special funds, which had been made available for the FAP pretest. At a meeting with 4-C representatives and day care operators on May 3, 1972, Secretary of Human Services, William Cowles, explained the problem.

> He said it is now certain that Family Assistance Plan funds, which will funnel $960,000 into the Day Care operation for fiscal 1973, will end July 1, 1974, affecting almost half of the children now served in the program.1/

(a.) Budget Control. LICD findings pointed to the fact that no one person in the state had a total financial overview of day care revenue and expenditures. Payments were approved without reference to contractual applications and any LICD request for financial data uniformly set off a search through records that were not designed for ready retrieval. The only exception to this occurred in the Department of Education's special food service program where the account clerk who handled the day care food budget kept accurate up-dated records and easily responded to all requests for information. It should be noted here that the revenue and expenditure charts for fiscal years 1971 and 1972 2/ were prepared for this report by LICD staff who pieced the information together from various sources, with special help from the SOCD Business Manager.

(b.) Basic Procedure. Basic problems with the billing procedure seemed to flow from (1.) reimbursement/payment time delays, (2.) inadequate understanding of the billing procedure and forms, (3.)inadequate technical assistance and (4.)constantly changing forms and procedures.

The most serious problem the 4-Cs seemed to have with the billing time was not with late payments but rather with the length of time which elapsed between the submission of the bill by the operator and the receipt of reimbursement at the site. According to the system, this time lag seemed unavoidable. A number of 4-Cs said they would prefer to have a direct grant to reduce the time lag. It was our understanding, however, that Rutland's direct grant contract model was not considered successful, would not be renewed and was not expected to be replicated elsewhere in Vermont. (This direct grant, originally scheduled to expire in May, was extended to June 30, 1972.)

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1/ Monsarrat, Nick, "Day Care Centers to Get Less Money, More Kids", Rutland Daily Herald, May 4, 1972. See Appendix R-1 for full reprint.

2/ See Appendices C-1 and C-2.

(c.) Allocations vs. Costs. LICD findings verified that resource allocations were based on estimated costs of certain categorical expenditures and could not be correlated with actual costs described in the data. The following list includes cost factors which were not accounted for in Vermont's financial planning for the day care system:

- overhead administrative costs of providing the day care food program by the Department of Education and the State Purchasing Division, Agency of Administration.
- overhead administrative costs of processing day care bills and payments by the Finance Department and State Treasury.
- overhead administrative costs of providing legal services in the Office of the Attorney General.
- overhead administrative costs of supervising the day care program by the Agency of Human Services.
- Contributions of people, places and things where the equivalent dollar value could have been computed to arrive at a "real" cost of doing business.

In comparative studies, the average cost per week per child ranged from $39.42 to $48.00

(d.) Procedural and Policy Problems. The most controversial day care issue, still unresolved as this study drew to a close, was projected allocation of limited funds for a day care program that was growing faster than it could be managed. Ironically, although more emphasis had been placed on the control and allocation of money than on any other single element of the FAP day care pretest,[1] general dissatisfaction with fiscal policies and procedures was widespread and could be traced to the following factors:

(1.) In a system which stressed uniformity of reimbursement rates and eligibility standards, there was no attempt to standardize costs. Salary levels fluctuated from no compensation for some day care operators to substantial salaries for administrative personnel. Costs varied from site to site and 4-C to 4-C and seemed to have little or no relation to the sums of money allocated to them.

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[1] Vis-a-vis eligibility requirements, child-staff ratios, fee/rate schedules and billing and reimbursement procedures.

(2.) Constantly changing and complicated billing procedures and inadequate technical assistance created time delays for the operators who did not always understand the changes and submitted incorrect or inadequate information. Some sites consistently billed as late as three or four months after the fact because, they said, they'd "forgotten" to include one or two children in a previous bill.

(3.) Some sites found it necessary to obtain bank loans or to borrow money from 4-C or personal sources in order to pay their bills when reimbursement checks were late. This hand-to-mouth style of operation seemed to characterize Vermont's day care program and, as much as anything, reflected the absence of a "system" to get the job done. Day care providers operated on a week to week basis and only the larger centers with multiple funding sources had some form of annualized budgets.

(4.) Lack of agreed upon understanding of terms such as full-time and part-time led to confusion and conflict, despite the development of state definitions in an attempt to resolve the issue.

(5.) While complaints were uniformly heard about deficiencies due to lack of money, a $40,000.00 surplus accumulated at the top during FY '72 and generated controversy over whether it should be returned to the State's general fund or used to meet day care costs.

(6.) Even though FAP and Title IV-A rates were integrated at the state level, each program continued to be administered independently because of differences in day care eligibility, billing and accounting requirements. Therefore, program integration at the 4-C or site levels was an unrealistic expectation of state and federal decision makers.

(7.) The 4-Cs and day care providers were expected to maintain a double entry bookkeeping system which would accurately reflect all transactions by funding source. In practice, few operators understood this requirement and, with some exceptions (such as the large centers), kept relatively few financial records.

(8.) Although the FAP day care pretest objective was the provision of child care for FAP eligible families, there was no evidence that employers made financial contributions to support the program.

(9.) There was no one individual or unit of state government which exercised budget control over day care expenditures, a glaring deficiency in a federally funded state-operated program. Even at the 4-C level there were no regular updated records of site budgets, reimbursements or expenditures, although a few 4-C leaders attempted to maintain some records of bills for reimbursement.

(10.) Some sites and 4-Cs effected cost savings through central or joint purchasing, even though there was no statewide system to increase the benefits of such efforts.

(11.) The major problem with ancillary services was inadequate funding. A number of large and small centers were running deficits due to a low reimbursement rate which didn't cover certain supportive services.

The problem was further complicated when FAP and IV-A rates did not match the Head Start rates. As a result, some operators either did not provide equal day care services, or ran up deficits trying to subsidize the FAP/IV-A children.

### 5. Community Coordinated Child Care (4-C)

Theoretically, the concept of community coordinated child care implies a system of local development and control of child care. Vermont's 4-C system became a response to funding sources with all their requirements and regulations. The bureaucratic spiderweb of federal-state financial controls left little initiative to local 4-C committees which couldn't provide day care services without the public funds. Indeed, the area 4-Cs existed only because they provided a layer of decentralized administration between state government and the day care providers.

Overall, our investigation revealed serious frustrations among the 4-C leadership over the smoldering issue of developmental versus custodial care. There seemed to be consensus that 4-C committees were designed to provide services to children, not families, and that federal funding from whatever source should be, primarily, a means to that end. This point of view was confirmed in the responses we received to questions concerning families. In every case, 4-C leaders told LICD investigators that they kept their records and organized their activities around children rather than families and, therefore, could not respond specifically to our questions about the FAP impact on families or parent employment factors.

There was also consensus on the need for quality day care for children of working parents and agreement with the overall goals of a welfare reform strategy which would provide employment alternatives to a dole. Nevertheless, the 4-C leadership agreed that day care eligibility should include children's needs, in addition to the economic needs of families. 4-C leaders described their position as being "caught in the middle" between their own priorities of quality child care and compliance with FAP and Title IV-A funding sources in order to stay in business.

State 4-C Committee

Except for its earliest role in helping to organize the area 4-Cs, the State 4-C Committee had no direct relationship with day care operations. This fact, however, did not seem to be known or understood in the field where State 4-C and State OCD were talked of as if they were one unit. However, by spring of 1972, the State 4-C Committee had begun to monitor area 4-C compliance with the 4-C Program Guide and had restructured itself with the Governor's approval, to include as its thirty members sixteen consumers (parents), eight representatives of the private sector (selected by each area 4-C), and representatives from each of the six major state agencies.

It seemed obvious that the State 4-C Committee's role became more indistinct and diminished as the Office of Child Development became the powerful dispenser of day care rules and money. In May, 1972, when the LICD study was completed, the State 4-C Committee was "redefining its role" and working toward achievement of the broader 4-C child care goals which had become overshadowed by FAP day care and its influential funds.

Since Vermont's FAP/Title IV-A eligibility requirements limited federal support funds to low income families, 4-C child care in Vermont came to be identified as an anti-poverty program. Recognizing that factor and what was seen as the basic conflict between FAP objectives and 4-C objectives,[1] the state attempted to resolve the issue by moving to clarify 4-C/FAP/IV-A objectives in the consolidated child care Service Contracts. But some further kind of conceptual accommodation may be needed if the 4-C is to become a viable mechanism to promote day care for the working poor. Basically, the unresolved conflict revolved around whether or not publically funded day care in Vermont should be limited to children of the working poor and, if so, whether or not the area 4-C committee was the most appropriate administrative layer between day care operating sites and the state Office of Child Development.

## 6. Day Care Support Resources

Providers of FAP day care services in Vermont found themselves pretty much on their own when it came to locating and using supportive resources. FAP day care planners had assumed that FAP eligible children would receive medical care under Medicaid, and "seed grants" were available for some renovation of facilities. Centers serving Title IV-A and FAP children were eligible for food under the state's special feeding program and surplus commodities distribution program. Alternative types of transportation were also to be developed and tested, especially in rural communities.

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1/ Day care for economic reasons versus day care for child development reasons.

One other important idea appeared in the HEW/Vermont contract, the requirement that existing organizations were to be used for administrative expediency whenever possible.

LICD survey results described the indistinct pattern of local mechanisms which evolved to transport, feed and provide health service to children in day care sites. In conformity with the Operations Plan, various methods were expected to develop in a form most appropriate to specific site needs. However, difficulties experienced in obtaining funds and other factors (described in Chapter 5) pointed up the need for general guidelines which could have reduced some of the stress and frustration within and among agencies trying to organize and deliver support services. In addition, state level expressions of concern regarding inadequate funding for support services indicated that the Operations Plan should have anticipated the problem and provided coordinative mechanisms for the equitable allocation of potentially scarce resources.

## CAA/Head Start

Relationships between the CAAs and the 4-Cs varied from one community to another. The wide spectrum of differences ranged from interlocking responsibilities, which caused confusion at the site level, to distantly polite competition over the merits of Head Start versus day care. Everyone's confusion at every level over a multiplicity of organizations and agencies was evident in field data.

There was little 4-C coordination with Head Start despite the fact that Head Start provided technical assistance in some communities to open new day care centers and that a significant number of sites had Head Start children in their care.

In view of the contradictions between the stated purpose of using existing resources and starting the FAP child care program from scratch, the problems which developed were probably inevitable. Integration of child care resources was apparently expected to "just happen" at the operating level (4-C and site) while no attempt was made to integrate or at least to systematically coördinate existing child care services from the state level. It must be remembered, here, that some child care services had been in operation in Vermont before the FAP pretest. These included: Head Start, Model Cities day care, Parent-Child Centers, Consumer Controlled Community Child Care (5-C), Title IV-A reimbursement, and a number of public and private day care providers throughout the state operating in homes, schools, churches and community facilities.

## Food

While the food program seemed to be operating smoothly, LICD analysts identified several issues which posed potential problems.

These included staff limitations, no relationship to the licensing process, lack of clarity respecting eligible day care facilities, inadequate funds and unrealistic demands upon site operators for detailed food consumption records which appeared to have no purpose.

Overall, it appeared that the food program suffered from not having been incorporated into a total statewide day care design.

Health

It would appear that Vermont had not found a way to comply with either the health requirement in the FIADCR or the 4-C guidelines when a state official, at an orientation session on February 3, 1972, said that the state had no money for physical examinations, given the existing day care rate, and that Medicaid was the only available resource for those unable to buy health care. When interviewed, state officials and day care operators agreed that inadequate funding was the major problem in providing health services.

Analysis of this important ancillary service indicated that funding alone wouldn't solve the problem unless some other important issues were also resolved. Vermont needed answers to some basic questions, such as:

- Was there a statewide inventory of all health care resources by type, location, availability and cost?
- What criteria were used by day care operators and staff to determine a child's health status?
- Was there a procedure for providing statewide health care by helping communities share available resources, such as physicians, dentists, nutritionists, therapists and emergency equipment?
- Was there a procedure to identify, diagnose and provide care for children with special health problems such as physical or mental handicaps or emotional problems?
- Since FAP and Title IV-A children were eligible for Medicaid, and Head Start health services were available to some of the children, why wasn't the Head Start health care system expanded to include all the day care children?

In sum, the lack of adequate health care services probably resulted as much from a fragmented, unsystematic approach as from inadequate funds.

### Transportation

Overall, Vermont seemed to be meeting transportation needs reasonably well, at least for those youngsters enrolled in the program. It may be important to Vermont, however, to determine if there were FAP eligible families who didn't participate in the program because they had no transportation.

### Feedback and Problems

By and large, most of the day care operators were satisfied with the quality of the health, transportation and food services they were providing to the children and said food services were better than transportation services and that health services were the least satisfactory. All of the parents interviewed said they were reasonably satisfied with the day care service their children were receiving.

Basically, state officials and day care operators agreed on the major problems with providing these supportive day care services. Of those who said there were problems, all agreed that inadequate funding was the major problem for health, food and transportation services. In addition to inadequate funds, state officials agreed that a lack of resources and not enough help from the state were major problems in providing health services. They also agreed that a lack of community support was a major problem in providing transportation services. Problems identified with the provision of food services created some differences of opinion between state officials and operators who identified uncooperative agencies and not enough help from the state as the source of trouble, while state officials named not enough staff or money as the major problems. One state official said the overall problem was that operators and parents needed to know more about existing services and how to get them, especially during the organizing period. But here, again, the burden for knowing "what to do" was transferred to the parents and providers who couldn't be expected to "know" unless some method was found to distribute useful information at the 4-C or state levels.

## Summary

The Vermont Model FAP Child Care Service System, as a pretest of proposed legislation, was sensitive to proposed amendments to that legislation and experienced some minor shifts in detail as news from Washington drifted to Vermont. Nevertheless, the pretest remained pretty much on the FAP course and so did the LICD study. The Federal Interagency Day Care Requirements were under revision (although nearly released for public scrutiny in October, 1971,) but still not amended as this study closed, which meant that Vermont was required to comply with the 1968 version.

As it neared the end of the second of its three year pretest, Vermont's child care service system had begun to develop a life of its own. Each of the "Specific Tasks" outlined in the state's contract with HEW either had been complied with or were in process and the state was starting to plan for 1974 when the FAP pretest would be phased out.

The recommendations which follow attempt to synthesize the most significant elements of Vermont's operational pretest so that this experience may be useful for developing national policy and statewide child care service systems.

While there may be some unavoidable overlap, recommendations which appeared in Volume I, *The Planning Process*, have not been repeated here and it is suggested that both sets of recommendations be considered together.

## SUMMARY AND RECOMMENDATIONS - VOLUME II

### The Operating System

### 1. Definitions

(a.) "Child care" rather than "day care" should be used to describe such services since working parents, and especially low-income parents, work nights, weekends, split shifts, holidays and other irregular hours. This broader designation is more likely to encourage the development and availability of 24 hour service to meet the real needs of working parents.

(b.) Federal, state and local officials should work together through the HEW Office of Child Development to *define "quality child care" and its actual cost* so that uniform national standards of quality and costs can be established to avoid discrimination against some children because of inadequate, unequal or unavailable resources.

### 2. Separation of services and resources

Child care service delivery should be organized and operated to meet the needs of children and their families. Resources should be treated as means to achieve that end. Therefore, it is recommended that *child care services* be separated from *child care resources* by developing and operating

(a.) an action plan to deliver stable, quality *child care service* which is child-centered and meets the needs of the clientele population including work/training referrals for parents and the provision of ancillary services to the program.

(b.) an action plan to identify, locate, obtain and use all the *necessary resources* to support the service delivery plan. Each child care provider should be required to develop and use an annualized budget to ensure sufficient funds for quality care. Resources could include:

(1) federal, state and local public funds;
(2) state and local child service agencies, both public and private;
(3) private funds;
(4) volunteer services;
(5) donations of facilities, equipment, supplies and food;
(6) shared resources with other related activities, such as Head Start, Model Cities day care, Parent-Child Centers, etc.
(7) Employer and labor union contributions;
(8) Centralized purchasing or borrowing.

3. State characteristics and basic elements of child care

Each state's child care service system should meet its own needs by taking its community characteristics into consideration when establishing policies and procedures to incorporate the following basic elements into a statewide child care system:

- children
- parents or guardians
- a statement of objectives
- a time-phased work plan
- money
- child care staff
- facilities (homes, centers, institutions), equipment, supplies
- food
- administrative support services
- ancillary services (i.e., health, transportation, social, educational)
- operational systems which include planning and evaluation
- standards of quality
- information
- controls or accountability

- time
- community resources

4. Information

A comprehensive information network should become the core of the child care service system since every aspect of the program depends on information. Such a network would ensure feedback from persons in the service system and would permit participative decision making by providing opportunities to be heard. Computerized management information systems are only one type of data source. Structured personal contacts, such as the type used for the LICD study, may prove to be more productive for feedback than written communications.

The state should develop and distribute child care policies and procedures through a systematic network which reaches all levels of the operating system in a useful form. One element of such a network could be a child care newsletter to facilitate dissemination of useful statewide information. To be most effective, such a publication should receive input from all over the state and contain legislative and instructional news as well as resource information about child care-related organizations and agencies.

5. Statewide coordination

Each child care provider should have a single coordinative state agency point of contact as its source of information and technical assistance concerning child development standards, fiscal management, policy, procedure and other state-wide responsibilities.

This could be accomplished through:

(a.) better and more extensive use of existing programs by integrating them at the state level;

(b.) cost savings through centralized purchasing of supplies, food and equipment;

(c.) statewide training programs which respond to on-the-job needs of child care providers.

6. Reimbursement

States should reimburse parents, not child care providers, but set a reasonable ceiling on fees to ensure compliance with quality standards and to prevent exploitation by those few providers who might seek to expand profits at the expense of the children. This procedure could drastically reduce administrative costs and still permit administrative technical assistance to those providers who want it. This could be done several ways:

(a.) provide FAP eligible families with money (not vouchers) to purchase the services of their choice rather than reimbursing the providers through state controlled mechanisms.

(b.) use net income tax figures to determine ability to repay.

(c.) establish a revolving fund for parents at the local level to provide child care on credit by means of interest free loans, to be repaid to the revolving fund when the borrower is able.

## 7. Financial Management

Certification of eligibility and payment reimbursement should be the responsibility of a single state agency. The federal social security system offers a viable example because its function is entirely fiscal and removes such decisions from the client/provider relationship. This approach is the most economical for both planning and operating and can lead to substantial savings in administrative costs by means of:

(a) simplifying and improving fiscal management by separating service delivery from financial resources in planning, budgeting, operating and evaluating;

(b) simplifying and improving administrative procedures to eliminate unnecessary, inappropriate and uneconomical fiscal controls which frequently cost more money than they save;

(c) better use of staff time for both child care services and fiscal management. People who work with children should not have to be responsible for records and reports as well.

## 8. Child care providers

Child care providers should be required to meet personal and operational standards before having children entrusted to them. This will require realistic standards, appropriate preparation and an effective compliance system which facilitates rather than inhibits service delivery without sacrificing quality child care.

9. Food

Providing food to the child care system could become a source of economic growth for local farmers. Rather than bringing surplus commodities into poor rural states, such as Vermont, this market could provide nutritious fresh food at reasonable cost.

10. Health

Child care systems should make provision for children with special health problems. Health-related factors have ramifications for adult-child ratios, enrollee attendance and the ability of parents to work or receive training.

11. 4-C

The national 4-C office in the Department of Health, Education and Welfare should help to clarify the roles and responsibilities of state and local 4-C committees.

The 4-C mechanism has a broker/ombudsman potential for child care but will require independent funding in order to play that role effectively. 4-C organizations in various states and regions should join forces to explore and strengthen their roles as child advocates, regardless of child care funding sources.

*Part II*

# Findings and Analysis

Volume I

## The Planning Process

## Chapter 1

# Background of the Vermont FAP Pretest

At the national level in Washington, D. C., both the Congress and the Administration (in 1968 and 1969) reflected the national mood toward welfare reform--the need to find a replacement for a welfare system universally considered unsatisfactory by welfare recipients, social workers, government officials and taxpayers.

Welfare reform studies throughout the nation motivated the Congress to review and revise numerous components of the national welfare program, culminating in President Nixon's proposal for developing and testing the Family Assistance Plan as a mechanism to more adequately disperse financial resources throughout the population.

With a strong emphasis on developing self-sufficiency through "workfare" rather than welfare, coupled with overtones of revenue sharing, a statewide FAP pre-test was conceived to see what would happen if the federal government provided financial resources for such a pretest with a minimum of red tape.

In addition to legal and financial accountability, some requirements were to be imposed, such as the need to develop alternative models, but, by and large, the selected state was permitted some latitude in pretesting FAP.

At the state capitol in Montpelier, Vermont, officials saw an opportunity to obtain federal resources for a project which was, for once, comfortably compatible with that conservative state's traditional attitude toward welfare dependency.

At the local level, citizens concerned with the need for direct services were looking to federal funding to meet crisis needs, such as income maintenance, jobs and day care.

Originally, three projects in the field of income maintenance experimentation were developed by the Department of Health, Education and Welfare. The largest and most important of these was the proposed state-wide project to pretest the Family Assistance Plan in Vermont. The other two projects, located respectively in Seattle, Washington and Gary, Indiana, were more limited, research-oriented projects similar in design to the two OEO sponsored experiments in New Jersey and those in rural communities.

The original purpose of the Vermont project was to pretest and evaluate a prototype for the President's proposed Family Assistance Plan including several variants of the administrative mechanism required. The Vermont project would represent the first attempt by the federal government to minimize start-up and operational problems in a major new program through a sizeable but controlled preliminary field trial of the program.

The income maintenance portion of the project was estimated to cost $6 million annually exclusive of administrative and evaluation costs. The Department of Labor and the Office of Child Development were also to participate in the development of the manpower and day care portions of the plan and additional funds would be provided for those components. It was assumed that the Vermont project would operate for one to three years or until such time as the Family Assistance Plan was implemented nationwide. 1/

After almost a year and a half of planning, an HEW document (dated October 27, 1970) described pretest objectives as follows:

> Administration of the Family Assistance Program is largely uncharted. It involves removing existing welfare payments programs from state or local administration with minimal federal direction and placing them, along with a new payments program for the working poor, under direct federal operational control or under state control with close federal direction aimed at uniform eligibility and consistently excellent service to the public. In addition new work incentives are provided aimed at moving FAP clients toward self-sufficiency. These program objectives involve extensive liaison and operational interaction among FAP, SRS, DOL, VRS, OCD, and various state agencies.
>
> The FAP pretests are aimed at comparing effectiveness of alternative federal inter-agency and intra-agency administrative procedures to develop a viable FAP administrative system. In addition, although the period involved is short, we expect to provide an evaluation plan to show movement

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1/ Source of funds: Sections 1110 and 1115 of the Social Security Act.

> of clients through the referral process to training or rehabilitation, to work, to child care, or to social services as well as changes in earnings for the course of the pretest. The result of this evaluation will be a report to Congress, as required in the enabling legislation, which will state administrative experience, bases for estimating participation in FAP-administered programs, and tentative indication of validity of program concept. 1/

During the planning process, a decision was made in Washington to eliminate the income maintenance component of the Vermont pretest, which left these four FAP support components to be tested:

1. Employment/Training,
2. Social Services,
3. Vocational Rehabilitation, and
4. Child Care.

This chapter describes and analyses the planning process for the child care component within the broader context of the entire FAP pretest.

## BACKGROUND OF THE CHILD CARE COMPONENT

> In June 1970, the Department of Health, Education, and Welfare contracted with the State of Vermont to (1) develop a detailed plan for federal administration of the Family Assistance Program, (2) develop a model plan for day care under FAP and to expand the day care facilities throughout the state, (3) obtain baseline information on potential FAP recipients, and (4) develop a referral system for the activities of all agencies contributing to the registration and service features of FAP. The Department of Labor and HEW also funded three companion projects in the Burlington-Morrisville area, including a social services project, a manpower services project focusing on upgrading and special works projects, and a vocational rehabilitation support services project. These projects represent all the essential components of a family assistance system

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1/ (From an HEW document, untitled and unsigned, dated Oct. 27, 1970.)

(except the actual income maintenance payments operation) and were designed to delineate and resolve policy and operational problems which will have an impact on national program implementation.

An amount of $1,304,000 was set aside for the development of a model FAP-Child Care Service system for Vermont which (1) could be utilized in determining national alternatives for effective operation of the child care component of the Family Assistance Plan and (2) would be demonstrated through the expansion of child care services and facilities throughout the state, with primary emphasis on the objective of supporting manpower needs. The three primary tasks of the contractor in carrying out this project were:

1. To complete an inventory of the existing state of child care programs in Vermont and, on the basis of this inventory, identify the types and extent of care needed for potential FAP recipients, and make projections regarding the future of child care programs.

2. Also on the basis of the inventory, to develop a model FAP child care system which would be cognizant of and responsive to the needs of FAP families, as well as being capable of being quickly implemented under varying political, economic and social conditions. The product of this effort was to be a system of practical alternatives which could be exercised in a community--given a set of defined situational factors--and which, when implemented, would quickly result in the provision of adequate and sufficient child care services in that community.

3. Through actual operation of child care programs in the state, to explore techniques for the rapid development and expansion of child care services. Operational problems in terms of agency or group developmental coordi-

> nation, staff training, program management and political or community support would be well documented and planning and operational staffs would develop and test solutions which would anticipate, if not overcome, administrative and program problems which might arise in an overall FAP day care system. (See Appendix A-1 for delineation of specific project tasks.)
>
> To accomplish these tasks, the contract called for establishment of a FAP child care planning staff to carry out the planning aspects of the system and an operational staff to implement the design, with close contact and coordination to be maintained between the two components.
>
> The HEW-Vermont contract also called for the conduct of an independent evaluation of the child care component of the Vermont project through an outside agency (LICD). This evaluation was to focus on:
>
> (a) how quickly child care resources are developed and expanded
> (b) how responsive the child care system is to the needs of children and their families eligible through FAP, and
> (c) how effectively the administrative mechanisms operate to facilitate these activities. [1]

The earliest records (memoranda, letters, notes, etc.) of the Vermont FAP pretest are devoted almost exclusively to income maintenance testing, welfare statistics and mandatory employment for certain categories of welfare recipients. The provision of child care for working parents gradually began to appear in the documents some time after the initial planning in Washington was well underway.

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[1] From the HEW Request for Proposal which contained the specifications for this LICD evaluation study.

On the other hand, Vermont's official interest in day care problems had begun to take form as far back as 1966, when the state had first legislatively required licensing of day care facilities by the State Department of Social Welfare.

Due to limitations of staff and other resources, most of the earliest licensing work-hours were devoted to licensing of foster homes. But even private kindergartens and nursery schools had come under the licensing requirement by July 1, 1970, reflecting official recognition of the need for upgrading child care standards.

The State Office of Economic Opportunity, under the direction of Tom Davis, provided catalytic leadership in the growth of Vermont's Head Start and Day Care activities. Davis brought Dan Holland to Montpelier from Bennington, where Holland had been the first director to apply for Title IV-A monies for day care. It had been Dan Holland who learned about the Community Coordinated Child Care (4-C) program from Preston Bruce, in Washington, and it was Holland who organized the Statewide 4-C program in Vermont, at the request of the Governor. The following year, Holland became the Deputy Director of SOEO with responsibility for all statewide day care.

In 1969, several months before Dan Holland had begun to work with the statewide 4-C organization, George Carcagno was conducting a statewide negative income tax study for SOEO, based on a plan he had developed in 1968.

Then, in August, 1969, President Nixon submitted his Family Assistance Plan to Congress in a nationwide broadcast. Shortly afterwards, Vermont became interested in participating and switched its emphasis from the negative income tax to a FAP income maintenance plan. At about the same time, Senator Ribicoff's amendment to the FAP bill required (statewide) pretesting in at least two states.

Ironically, a Washington decision later eliminated the income maintenance component and Vermont's pretest consisted of the four support components, alone.

So there were the two tracks running parallel, day care and welfare reform, each "program" with its own constituency, its own goals and its own advocates.

Several important factors appear to have been responsible for the conflict situations which developed between the Day Care Operations Unit and the FAP Planning staff in Vermont.

On the one hand, the FAP Planning Staff was conceived as a non-operational unit, with responsibility for developing and helping to implement the testing and analyses of a broad range of welfare reform strategies. The most important of these was to have been a statewide income maintenance pretest, supported by four related "service" components: employment/training, social services, vocational rehabilitation and child care.

And it was as employees of the SOEO that Kathy Futrell and George Carcagno wrote the Vermont FAP proposal, which included the concept of separating planning from operations.

Later, as the work began, agency positions were taken in Vermont which matched their counterparts in Washington. SOEO related to the Office of Child Development in HEW and the FAP Planning Staff in Montpelier related to FAP planning in HEW.

So the controversy between the two organizations became a power struggle over whether FAP, as a pretest, should fit into the SOEO's statewide day care scheme (Davis/Hollard) or whether day care, as one of four pretest components, should fit into the statewide FAP scheme (Carcagno/Futrell).

This traditional vertical federal-state-local relationship is evident in the entire FAP pretest. Each of the four components was funded vertically and was separately responsible to its categorical funding source.

In order to simplify our evaluative description of the planning process, the findings and analyses have been divided into four major categories.

1. Organization and Management;
2. Day Care Services;
3. Money; and
4. Evaluation.

Each category contains an evaluative description of what was expected by the funding agencies and what was achieved during the planning period.

The following chapters examine each of the above categories in terms of the expectations of the planning process and those achievements which can be identified and analyzed at this time.

Expectations include those expressed in the Vermont-HEW contract, the OEO-HEW Agreement, the Mathematica and Thiokol contracts and in LICD interviews with federal state and local people. (See the Appendices for details.)

## "CUSTODIAL" vs. "DEVELOPMENTAL"

From the very beginning of this investigation, several issues dominated the research. In one form or another, they appeared in written materials and in conversations. Essentially, they reflected a lack of agreement on the real objective of the Vermont FAP child care pretest and, concomitantly, they reflected a range of expectations which tended to produce some sharp divisions among staff at all levels.

One issue predominates and threads through all the others, the issue of custodial versus developmental child care. There can be no doubt that the planning process and its products were affected by the polarization around this issue.

Furthermore, the custodial/developmental disagreement became a cloak which hid the more urgent problems inherent in conflicting expectations and inadequate administrative machinery.

After all, it may be easier to despair over irreconcilable philosophical differences than it is to dig deeply for areas of agreement and solutions to administrative problems.

The split was most evident in Vermont between the FAP Planning Staff and the Day Care Unit, although a similar split divided the OCD/HEW staff from the FAP Planning Staff (now the Welfare Reform Planning Staff) in Washington.

The child care component's vertical relationship problems were further complicated by multiple funding sources, each with its own guidelines, regulations and expectations.

Added to this, no one seemed to be in charge in Washington. There were several coordinators, liaisons, interagency committees and other organizational arrangements. But the Washington HEW-FAP staff had no authority or control over the various funding agencies and was limited to setting policy for a program for which there was no legislation, no funds and very little philosophical acceptance.

Indeed, the custodial vs. child development controversy seemed to dramatize the dilemma.

In Washington and Vermont, the lines were drawn. Positions became polarized around quality child care (developmental) or economical child care (custodial). When FAP staff talked about costs and fiscal accountability, they were accused of not caring about children. When day care staff talked about child development, they were accused of not caring about public expenditures.

In point of fact, there was no one interviewed in the course of this study who was not deeply concerned about the children to be served. And all expressed equal concern for the need to develop an efficient child care delivery system to obtain full value received for each dollar spent.

So it would appear that the real issues were not addressed or dealt with, while attention was diverted by the custodial/developmental dichotomy at the state and federal levels.

Our examination of the planning process revealed that nothing so glamorous as a philosophical dichotomy was wholly responsible for the ruts and the detours on the planning road. Instead, the problems seemed to flow from the typical, traditional pattern of developing and managing federally funded programs from Washington. It appears that the pretest, despite its search for innovation and alternative models, was handled out of Washington in much the same way as any other federal program.

## Chapter 2

# Organization and Management

This chapter deals with various aspects of FAP day care administration except financial management factors which are addressed separately in Chapter 5 because of money's special place in the Vermont pretest.

Overall, the Vermont FAP child care planning exercise was a pretest of intergovernmental relations and the ability of federal and state employees to work together in designing a new approach to welfare reform.

Basic problems quickly surfaced as planners were compelled to use existing legislation, guidelines, regulations and resources, while fulfilling the requirements of proposed FAP legislation and its various amendments, as they occurred. There was one other important element, time.

Both federal and state staffs were under considerable pressure to work as rapidly as possible since the stated objectives of the pretest included a requirement to assess how quickly a FAP child care service system could be designed, organized and implemented.

Therefore, the planning work became explicit in three major areas:

a. Resources. There was a need for Vermont planners to:
    (1) inventory the existing state of child care programs;
    (2) identify the various types and availability of child care for potential FAP families; and
    (3) project facilities usage based on estimated supply and demand factors.

b. System Development. Vermont planners were required to develop a model FAP child care delivery system with built-in alternatives for parental and community option, and the capability of quick and easy implementation.

c. Operations. The third major area in the child care component was the requirement to test the new system by using it to deliver FAP child care through an operating system.

## HEW/VERMONT EXPECTATIONS FOR THE PRETEST

Vermont's proposal was approved as the HEW contract on July 1, 1970. Administrative expectations were spelled out for the child care component as excerpted in Appendix A-1.

At the same time, Vermont planners were expected to take into consideration the requirements imposed upon HEW by OEO under terms of an agreement entered into by the two federal departments on June 18, 1970. (See Appendix A-2)

Some of OEO's administrative expectations paraphrased HEW's but others added stringent requirements for documentation and reports, especially as they concerned child care service delivery and experimentation with innovative models.

### *Other Expectations*

During many of the personal interviews conducted by LICD staff in Washington early in this study, other expectations were also expressed. (See Appendices B-1 and B-2.)

The highest degree of interest focused on how and to what extent

1. FAP concepts were being designed and developed,
2. day care services were influenced or affected by the FAP pretest,
3. alternative models of day care services were being developed and tested, and
4. the multiplicity of organizations and agencies were working together to achieve the goals of the pretest.

These expectations have been considered in assessing LICD findings.

## PRE-PLANNING

When Vermont received its HEW contract which included the conduct of a statewide FAP child care pretest in July, 1970, that event was merely a transitional step in a long planning process which had begun in Washington in 1968.

(See the Planning Chronology Chart, Figure 2, pp. 149.

While Jule Sugarman and Preston Bruce at HEW's Office of Child Development were developing the Community Coordinated Child Care (4-C) idea, a few negative income tax and income maintenance ideas were being proposed and tested under federal auspices.

Worth Bateman, assisted by Jim Lyday, is credited with having "invented" FAP in the Fall of 1968 while serving as Deputy Assistant Secretary for Income Maintenance and Social Services on the staff of the Assistant HEW Secretary for Planning and Evaluation, Alice Rivlin.

In December of 1968, Worth Bateman and former Congressman Melvin Laird (then ranking minority member on the Appropriations Committee) were instrumental in persuading the White House and the Office of Management and Budget (then BOB) to approve a series of Income Maintenance experiments to be funded by HEW, as suggested by Jim Lyday and George Carcagno.

One outgrowth of the commitment to fund Income Maintenance experiments was the decision during 1969 to carry out a statewide Income Maintenance experiment.

Throughout 1969, the idea gained momentum as the President announced his Family Assistance Plan. In Vermont George Carcagno, under a grant from OEO for data processing, wrote a paper entitled An Income Supplement Plan for Vermont.

By the summer of 1969, George Carcagno and Jodie Allen had developed a statewide income maintenance plan. HEW agencies began preparing for FAP implementation after the bill had passed the Congress.

In line with the President's August broadcast in which he announced "expanded day care services," the Office of Management and Budget urged OEO to "push day care." Meanwhile, Vermont Governor Deane C. Davis, was anxious to start the pretest.

In December, 1969, Jodie Allen (who was on the staff of the Assistant Secretary for Planning & Evaluation) made what appears to be the first child care-income maintenance connection in a memo to Jule Sugarman, then Acting Director of the Office of Child Development.

Internal HEW memoranda dated November/December 1969 indicate a commitment to the Vermont pretest and a decision to go to the White House directly, "to save time," rather than to activate the Pretest Advisory Group set up by the Under Secretary. In December, 1969, the final decision on whether or not to pretest in Vermont shifted from HEW to the White House as Governor Davis pressed for an answer. The HEW staff favored the pretest and child care services were now regularly discussed along with highly related linkages such as transportation, medical care, neighborhood centers and changes in family structure.

During this period, the child care aspects of the pretest began to grow in importance as day care service became a crucial factor in the "workfare" strategy.

That same month, in a letter to Jodie Allen, George Carcagno wrote that "....the day care bill was not completely drafted...." but that he was sending her information on Vermont's day care and 4-C programs.

During this early proposal stage some of the child care questions raised in Washington included:

1. Who will make the decisions?
2. Can a plan be developed which can be replicated?
3. Who will be responsible?

In March, 1970, John Montgomery, Special Assistant to HEW Secretary Finch, met in Vermont with the Committee on Income Maintenance Pretest.

About this time, John Montgomery wrote to William Gorham, who was now President of the Urban Institute, asking if the Institute "....will consider carrying out the operational phase through a subsidiary corporation...?" When the Urban Institute declined, the Vermont FAP proposal was written to include the services of the Mathematica Corporation for planning assistance, at the suggestion of Jodie Allen.

So it seems clear that there was every intention of conducting a full scale FAP pretest in Vermont. Indeed, the major portion of the Mathematica efforts was directed to pretesting a FAP income maintenance plan and it appears that the child care portion of Mathematica's work was almost an afterthought.

In Vermont, early in 1969, George Carcagno and Kathleen Futrell wrote the FAP proposal as employees of the State Office of Economic Opportunity. Kathy Futrell wrote the child care proposal and continues to play the major role in the planning of FAP child care services.

In July of 1971, John Montgomery, Director of the HEW Family Assistance Planning Staff in Washington, appointed his Special Assistant for Interagency Planning, Mary Jane Cronin, as coordinator of the Vermont Interagency Task Force. Prior to Dr. Cronin's appointment, the position of Director was changed twice. Initially Joe Corbett held the Directorship from the summer of 1969 until December, 1970 when Ron Grenier took over. Grenier served in the position until July, 1971 when Dr. Cronin succeeded him.

This group included representatives of DOL, SRS, CSA and RSA, but originally did not include anyone from OEO for reasons unknown.

The child care component received considerable support and assistance from Sam Granato, Director of Day Care in the Office of Child Development, who functioned as prime federal consultant to the Vermont day care staff.

By May of 1970, organizational problems had begun to compete for attention with policy questions. Dr. Cronin's memorandum to Mr. Montgomery, quoted below in full, reflects some of the problems inherent in using existing institutions for new and untried service delivery systems. It also shows the extent to which HEW-FAP staff was involved in the development of FAP child care planning.

> As I pointed out to you in our discussion on Monday, there are some problems with present Vermont plans. It is my understanding that the development of child care services, licensing and monitoring will be the responsibility of the OEO State Agency with the State 4-C Committee acting in an advisory capacity. All staff for this effort will be part of the OEO Agency. The planning period will be used for allocating funds between project grants and vendor payments for services. This plan would demonstrate an approach which makes good administrative sense--operational responsibility to an existing agency with the advice of the more representative 4-C agency; however, it is not a model which tests either of the two major alternatives being considered by DHEW. These are having a State 4-C Agency as the prime sponsor or having the "separated" State Welfare Agency responsible for child care services. OEO as prime grantee in the State could use a local 4-C as a local prime grantee and so make a limited test of this approach. It also could have a county welfare department act as a local prime grantee.

Neither of these has much potential in Vermont because of the limited number of sizeable economic areas.

If DHEW has any preferences for having service agencies develop and administer child care services locally, it would seem preferable to test this in Vermont just as the preferred income maintenance model of full federal management could provide technical assistance to the State Welfare Agency. The Agency would have the same staffing and responsibilities as outlined for OEO as well as the advisory link to the State 4-C Committee.

The advantages of this are that the FAP manpower trainees would be dealing with only one agency for supportive services. It also would limit the coordinating problems of the local Employment Service Agency. Finally, the charter of the Community Services Agency to build up a capability for delivering comprehensive social services to all who need them, charging a fee to those who can afford it, would not be subverted by encouraging development of a competing agency for child and family services.

The expertise of OCD would be used for helping state agencies to develop good plans, activating representative advisory committees and providing technical assistance to upgrade operations.

## HEW-FAP STAFF

Earliest work of the HEW-FAP staff was almost exclusively with the Vermont FAP planning staff which, although somewhat remedied later, helped reinforce the separateness of the Day Care Unit from the Planning Unit.

Washington FAP staff, driven by an urgency to ensure that a genuine FAP pretest come off successfully, encouraged a vertical relationship with the Vermont Planning staff which by-passed routine state organizational channels.

On May 11, 1970, Fry Consultants, Inc., received a ten-week HEW contract for approximately $98,000 to assist the staff in developing an overall detailed FAP plan and management system, including critical path designs. The contract did not include child care or the other FAP service components. There is no evidence that the Fry Report has been used for the Vermont pretest.

Early on, Vermont requested approval "to be held harmless" for any increases in the welfare rolls which might result from the income maintenance pretest activity, but HEW refused on the grounds that the state had a commitment to serve all its eligible citizens.

When the income maintenance component was suddenly dropped (a Washington decision), conflict developed among some members of the HEW-FAP staff over the issue of continued pretesting of FAP. One point of view held that "any good analyst can develop a workable service system," hence, such pretesting was a waste of resources. There was also criticism of the plan to develop a Model Federal-State Agreement for replication on the grounds that such a model drawn from Vermont would be useless elsewhere, "except for a few paragraphs, perhaps."

But sufficient support for the pretest remained, despite its limited service scope, and the work continued.

## LEADERSHIP

In Washington, the Vermont Interagency Committee, chaired by Mary Jane Cronin, included representatives of DOL, OEO and the relevant HEW agencies.

This group met regularly and was responsible for the overall evaluation of the project. It included project managers from each of the agencies with a funded Vermont FAP component and those agencies with long range service responsibilities such as the Office of Child Development and the Community Services Administration of SRS.

Despite the leadership role of the HEW-FAP staff, management by committee proved to be as difficult and elusive in Washington as it was in Vermont.

In both places, it is generally agreed, no one was in charge--no one person (or even one agency) had ultimate responsibility for all management decisions, for financial control, or for records and reports.

As this was written (October, 1971), the HEW-Welfare Reform Planning Staff (formerly FAP) under John Montgomery, had overall authority for the Vermont pretest, while James Garrett of HEW-SRS had been named the Program Manager with full responsibility for pulling the HEW pieces together.

The federal fragmentation syndrome with its concomitant "coordination" game has its roots in categorically funded programs which require implementation by accounting systems.

The Vermont FAP pretest followed the usual path, with federal agencies assuming that an experimental state-wide program could be funded and managed in the usual way: by managing money, categorically.

And while each sovereign agency continued to relate to its counterpart agency in Vermont, the HEW-FAP staff continued to wrestle with broader policy questions.

An internal HEW staff memo dated December 11, 1970, pointed up one of the unresolved policy issues at the federal level:

> We have a major problem with testing fee schedules in that DHEW has not resolved many policy questions with regard to day care services. The kinds of policy questions which directly affect the design of fee schedules include:
>
> a. Who should receive priority for services--those who produce the highest payoff in terms of reduced FAP benefits compared to costs of subsidization, or those who need it most, i.e., the poorest?
>
> b. Are FAP subsidized child care services aimed at providing child development services or merely enabling people to work or some combination of these two objectives?
>
> Since fee schedules can be designed to encourage certain behaviors, we need to decide whether to resolve these issues before implementation of the pretests, and therefore only test those schedules which attempt to bring out our policy objectives, or to test schedules which may promote various policy aims and to use the resulting evaluation data to influence our final policy decision.
>
> However, it should also be noted that although fee schedules always have some rationing effects,

> we can also set policy through administrative guidelines rather than primarily through the fee schedule.

Vermont's child care operations plan was written by Kathy Futrell using available data prior to receiving the Mathematica data. Since the Vermont-HEW contract stipulated that the Operations Plan be approved by HEW before implementation, there was considerable anxiety both in Montpelier and Washington, to move on a decision.

In March, 1971, the revised Child Care Operations Plan was included in Mathematica, Volume VI, as Chapter III after it had been modified to meet federal requirements.

Following several months of negotiations on details, Mary Jane Cronin sent John Montgomery a series of "decision submittals" in March, 1971, in which she recommended that

1. "The contractual provision for an experimental voucher system should be waived" on the grounds of Vermont's insufficient population density.
2. "The time period for eligibility for child care services" be negotiable to accommodate exigencies.
3. "...'in kind' contributions shall not be assessed as cost items for purposes of determining the appropriate child care rate structures" in order to equalize utilization of both FAP and Title IV-A resources.
4. "One fee schedule shall be tested in Vermont...beginning April 1, 1971 ...with....." families receiving Title IV-A child care services as of April 1... 'grandfathered' to prevent resultant increases in costs to them.

These recommendations reflect the real-world adjustments of the planners during the planning process, and the need for a rational integration of planning and operations activities, regardless of respective funding sources.

One other comment is in order here. Despite verbal assurances from Washington to Vermont that the operations plan had been approved, there is no evidence that written approval of the plan was ever sent from Washington or received in Vermont.

## OFFICE OF ECONOMIC OPPORTUNITY

It appears that neither HEW nor OEO monitored the OEO investment in the Vermont FAP pretest with systematic diligence.

Despite the multiplicity of requirements for record-keeping and reporting in the OEO-HEW Agreement, OEO staff, until recently, played passive, observer roles, receiving progress reports from HEW-FAP and attending interagency meetings when invited.

However, in September, 1971, an OEO reorganization took place which removed day care operations from the split jurisdiction of two units--Planning, Research and Evaluation (PRE) and the Office of Program Development (OPD)--and placed all of day care operations under Tom Coyle, Chief of the Office of Operations.

Soon afterwards, Mary Ann Wyrsch, (on Coyle's staff) began to investigate OEO's interests in the pretest while other staff members paid a visit to Montpelier in October, 1971.

## FEDERAL REGIONAL OFFICES

For the most part, the HEW regional office in Boston had not been deeply involved in the important decisions concerning the Vermont FAP child care pretest. With the exception of some early work with Betty Keefe (SRS) and Margaret Ward (OCD), there had been little continuity between Washington and Boston except for some occasional FAP contacts with Betty Collins and "Bud" Nute. Sue Selya was the OCD Community Representative for Head Start, FAP and Title IV-A.

Rheabel Edwards, Assistant Regional Director for Child Development in Boston, had been more directly involved with Vermont's 4-C program since she was also Chairman of the Federal Regional Committee (FRC) which gave the State 4-C in Vermont official recognition in April, 1970, the first of the fifty states so recognized. Boston regional OEO had not previously been concerned with the Vermont pretest, but became directly involved in September 1971.

In examining Washington/Boston relationships, we looked for evidences of administrative decentralization as consistent with FAP policy. On the basis of our limited research, it appeared that Washington was working directly with Vermont and, for the most part, by-passing the region.

The following incident presents a good illustration of the problem:

On October 6, 1970, the Acting Associate Regional Commissioner of the Community Services Administration in HEW's Boston Regional Office wrote the CSA Commissioner in Washington requesting clarification of a recent Vermont/HEW contract waiving the Single State Agency requirement for Title IV-A money in day care.

> This is to confirm our telephone conversation of October 5, 1970, in which you stated that the contract signed by Secretary Elliot Richardson and Governor Deane Davis of Vermont represents a waiver of the Single State Agency. Since this is our first experience with this type of waiver we would like to be informed of our continued responsibility toward the Title IV-A money in day care. Specifically we would like your advice in the following areas:
>
> 1. Under the waiver of the Single State Agency, what fiscal procedures are necessary so that the day care funds under Title IV-A can go directly to the OEO Agency?
> 2. The Department of Social Welfare will no longer provide day care and therefore this section will be eliminated from the state plan, along with the requirement for a day care committee. Is it necessary for OEO Agency to file these specified plan requirements, and if so are they submitted to us for approval?
> 3. Is the OEO Agency responsible for submission of all reports on child care to CSA; for example the WIN reports?
> 4. Will CSA have the same monitoring responsibility with OEO that it now has with the Department of Social Welfare?

LICD has not located a reply to this inquiry.

## STATE-FEDERAL RELATIONS

In another of the paradoxes uncovered in this investigation, we found that Vermont, the traditionally anti-federalist state, had emulated the Washington bureaucracy in organizing state agencies, even to the extent of calling its agencies by the Washington names, matching state agencies to their funding sources.

Apart from the occasional confusion growing out of identification problems, a more significant issue emerged, that of federal/state autonomy and the operating independence of state and local jurisdictions from their federal funding sources.

Based on our observations of the child care pretest, it appeared that Vermont was responding to a federal plan rather than developing a statewide plan to meet its own needs with federal resources.

Due to limitations of time and staff, we could not examine this phenomenon during the planning phase.

## LOCAL-STATE RELATIONS

Certain clues to administrative problems were discovered during the pilot site visits by LICD staff in late August and early September, 1971. The primary purpose of these pilot visits was to pretest the sites interview instruments to be used in investigating FAP child care operations at the local level. We also hoped to learn a little about Vermont's state and local child care relationships during the summer of 1970 in order to sharpen our assessment of the administrative system.

We found that the following problems were universally discussed. They correlate with similar problems at the state and federal levels:

1. Confusion over the FAP program and its real objectives. (Some thought FAP was a form of Public Assistance.)

2. Incomplete, inaccurate and contradictory programming information alongside highly sophisticated technical financial information.

3. Multiple official contacts leading to confusion over who is in charge of what. (Only licensers were always clearly identified.)

4. Confusion over the impact of new and different types of child care and payment systems on families, children, private day care operators and local communities.

Since our evaluation of the operating system was concerned with how well the system worked at the delivery points, these local-state administrative problems were included in Volume II.

## ORGANIZATIONAL RELATIONS

When William S. Cowles, Jr., took office as Secretary of the newly created Vermont Agency of Human Services on January 10, 1971, he inherited the FAP pretest in all its complexity. The Agency of Human Services was designed to group problem-solving services and included the State OEO, the Departments of Social Welfare, Corrections, Health, Mental Health and Vocational Rehabilitation, several of the Governor's Commissions and the FAP Planning Staff.

In reorganizing the state administrative agencies, Governor Davis had retained the separate status of both the Department of Employment Security and the Education Agency.

Aware of the growing conflict between the Day Care Unit and the FAP Planning Staff, Secretary Cowles assigned a high priority to the child care pretest. His agency-wide objectives included a change in the categorical approach to services and he began to develop a plan to reorganize his agency for improved effectiveness.

One of his earliest decisions was to establish an Office of Child Development which would bring together all child care services.

The State Office of Economic Opportunity's Day Care Unit, under Dan Holland, had experienced a rapid growth and was responsible for Head Start, Title IV-A day care, day care licensing and FAP day care. Mr. Holland also served as Chairman of the State 4-C Committee.

Since the FAP Operations Plan was then under consideration in Washington and expected to get underway early in 1971, Secretary Cowles assigned his Director of Planning, Lyman Stookey, the responsibility for coordinating child care planning and operations temporarily until the new OCD came into being.

Meanwhile, negotiations on the Child Care Operations Plan continued with Washington while tempers flared over delays in releasing the operating funds.

Finally, around April, 1971, verbal approval of the operations plan was received from Washington and the operating wheels began to turn faster.

On July 1, 1971, DOL and HEW refunded all four Vermont FAP pretest components for another year after which Tom Davis, Director of SOEO, resigned with a public blast charging that the FAP Planning Staff lacked concern for children, and was promoting sub-standard day care in the interests of "workfare" and "economy."

Secretary Cowles answered the charges through press statements and instructed the FAP staff to refrain from comment so the matter would fade away.

At this point, Dan Holland was appointed Acting Director of SOEO and Lyman Stookey continued to coordinate both FAP planning and operations until Secretary Cowles established the Office of Child Development in August, 1971, and appointed Dr. Joan Babbott its director.

Dr. Babbott, an M. D., as Director of the Office of Maternal and Child Health in the State Health Department, was well respected throughout the state and appeared to be completely acceptable to all factions. Her genuine concern for the welfare of children was unquestioned and her administrative ability seemed to generate optimism. Even Tom Davis approved of her appointment.

At this writing, she had begun to establish a working relationship with the FAP Planning Staff and was deely involved in the implementation of the Operations Plan.

## FAP PLANNING STAFF

From the beginning, George Carcagno and his staff had a clear vision of their mission. They understood and believed in the FAP pretest and its goals.

When George Carcagno and Kathy Futrell wrote the child care proposal, they decided to place the child care planners with the FAP overall planners to keep them away from day to day operations. Given the same set of circumstances, they still think it was a good idea, in spite of the rift that developed between the staffs.

After the income maintenance test was abandoned, the child care component became dominant and Futrell grew to play an ever-increasing role. She had been the prime

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contact with washington and has said that some of the problems might have surfaced sooner if she hadn't been so quick to "....jump in with information and assistance."

The two staffs were physically separated, as well, and there was some speculation about the factor as an element in the rift. Their offices were several blocks apart--five minutes driving time, and close enough to walk.

But the real differences which set them apart would not have been dissolved by proximity. Because they stemmed from perceptions, attitudes, experience and roles, such differences might actually have been compounded further by closer proximity without a clearly defined administrative system which had the flexibility to transform differences from liabilities into assests. "There was no one in charge."

By the way of illustration, here is the essence of the planning staff's perception of the operations staff.

> They...expect FAP child care to become one element of day care...only concerned with the expansion of day care, not interested in the FAP pretest...made promises to the community which couldn't be kept...has inadequate levels of capability...shovel money out...not willing to run operations in a systematic way...did not provide technical assistance or training on how to run 4-C or day care...depended on planning staff for writing of child care proposals...did not develop administrative procedures...personality conflicts...felt threatened because FAP demanded "a managed concept of day care" and they couldn't deliver it...licensing statistics reflect backlog of catching up, not growth...

### *Current Status*

The Child Care Planning Staff assumed major responsibility for the preparation of the Operations Plan, which, in essence, established basic FAP child care policy and defined the general operational parameters for the delivery of child care services.

This staff had also been involved in designing and analyzing child care information from Mathematica's screening and baseline surveys.

At this writing, the FAP Planning Staff had evolved into promoting coordination, and providing technical assistance and training on procedures. It was concerned with interagency reporting and information systems, making sure that shifts of responsibility and referrals functioned smoothly.

The staff was developing procedures for data collection and shared information to reduce duplication of effort.

## DAY CARE OPERATIONS STAFF

The State OEO had been interested in child development and day care for several years. This was an important factor in the decision to place FAP Child Care Operations in the SOEO Day Care Unit.

SOEO Director Tom Davis, while serving on Governor Phillip Hoff's staff in 1967, was involved in a statewide investigation of hunger in Vermont after a nationwide report identified one Vermont county as a hunger area. 1/

Mr. Davis, George Carcagno and several others began to consider seriously the possibility of a negative income tax plan to reduce or eradicate poverty. At the same time, those involved realized that employment of the poor,in any kind of program, required adequate day care services for families with children.

When the President introduced his Family Assistance Plan, Vermont was ready and eager to test it. Dan Holland had begun to organize the State 4-C Committee and newly elected Governor Deane C. Davis supported the idea of welfare reform which included employment and child care services.

George Carcagno and Kathy Futrell wrote the Vermont FAP proposal as employees of the State OEO and agreed with Tom Davis and Dan Holland that FAP Child Care Operations should be placed in the Day Care Unit in SOEO.

When the HEW-Vermont FAP contract became effective on July 1, 1970, Carcagno and Futrell transferred to the new FAP Planning Staff, under the Department of Social Welfare, and Dan Holland became Director of Day Care Operations in the State OEO.

The Day Care Operations unit was staffed early in October 1970 with territorial assignments. The staff consisted of three program developers, three training specialists and six licensers, one of whom was chief licenser, Rolland Gerhart

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1/ Hunger, USA by the Citizens' Board of Inquiry into Hunger and Malnutrition in the United States (Boston: Beacon Press, 1968).

Vermont's fourteen counties were organized into three territories, one with four counties and two with five counties each.

Approximately 150,000 people in each territory had the potential services of one program developer and one trainer. The four-county area was assigned one licenser and the five county areas each were assigned two licensers.

On October, 1970, there were an estimated 40,000 children under the age of five in Vermont.

Day Care Unit responsibilities grew to include coordination of statewide Head Start, Title IV-A funded programs and operation of the FAP child care service system pretest.

Dan Holland, as chairman of the State 4-C Committee and Director of the Day Care Unit, became the bridge between the two administratively unrelated organizations, each of which played an important role in the FAP child care system.

With its service orientation, it was perhaps inevitable that the Day Care Unit's perception of the FAP child care pretest was distinctly different from that of the FAP Planning Staff.

Here is, essentially, the operations staff's perception of the planning staff:

> They...expect day care to become one element of FAP...are tied more to Washington than to Vermont...don't care about children, only money...don't have up-to-date information, usually behind in time...have interfered with community development work, meddled...undercut, gave contradictory advice...were made to discontinue field work...Mathematica study implications of facts are exaggerated...are planning at the local level before State level planning issues are resolved...are planning independently, not systematically involving operations staff...are not planning for children, are planning for FAP...became involved with Title IV-A Attorney General discussions and caused delay, confusion, mistrust...are not familiar with statewide child care programs...don't understand the Vermont community...insisted that state financial procedures become subordinate to federal procedures...

In the spring of 1971, the operations staff proposed to SOEO Director Davis several recommendations designed to resolve the conflict between the planning and operations staffs. These included:

1. That all policy and refunding decisions between Vermont and HEW be cleared with the Chairman of the Consortium (Cowles) or his designee.
2. That Day Care Planning be placed back in Day Care Operations, immediately.
3. That a meeting be held within fifteen days between those who can exercise policy decisions at the state and federal levels to agree on an operation plan that funds may be expended at an accelerated rate during the last quarter.
4. That we review the intent of HEW in the whole FAP experiment in Vermont.
5. That there be only one child agency in Vermont and one goal for Vermont--children.

It was further suggested that one of two alternative courses of action be taken if these recommendations were not feasible. The alternatives were:

1. That the Director of Operations and the Director of Planning be relieved of their assignments and both units placed under the direction and supervision of someone in Secretary Cowles' office, or
2. That the state discontinue the FAP pretest as quickly as feasible except for the direct grant with Rutland 4-C which runs for one year and no further contracts be executed at this time. The state should thereafter look for funds to expand its services through Title IV-A.

Evidently, the only subsequent actions related to these recommendations appear to be the designation of Mr. Cowles' Planning Director, Lyman Stookey, as "coordinator-liaison" between the two units until the establishment of the Office of Child Development under Joan Babbott in August, 1971.

### *Current Status*

As of October, 1971, Dan Holland continued as Acting Director of SOEO and Chairman of the State 4-C Committee.

Joan Babbott and George Carcagno had begun to clarify relationships, as the FAP Planning Unit provided assistance in child care system development and monitoring.

Bob Stauffer, one of the FAP child care planners, was transferred in October, 1971, to Lyman Stookey in the Agency of Human Services, and had been temporarily detailed to OCD for systems work.

## LICENSING

The first public control of day care in Vermont was established by the State Legislature in 1966 when it required the State Department of Social Welfare to license day care facilities.

Prior to that, the Foster Home Finding Unit had three licensers, each of whom spent 90% time on foster homes and 10% on day care. From 1967 until August of 1970, only forty day care licenses were issued.

In July, 1970, day care licensing was transferred from Social Welfare to SOEO and in September, 1970, Rolland Gerhart was hired as Chief Licenser. His contract began 7/1/70, but active transfer began September 1, 1970 due to procedural personnel delays.

As the new licensing director, Gerhart began to develop a licensing system.

Even though the 1947 Administrative Procedure Act requires certain hearings, there have been no challenges, to date.

Under the 1966 law, licensing is required of every child care facility which cares for children of more than two families. This provision has exempted many home care operations which otherwise meet minimum FAP child care standards. There has been considerable controversy over this parental optional selection of home facilities which are not required to be licensed under Vermont law, and the way this exemption was used in FAP child care planning to find day care quickly.

Some of the custodial versus developmental arguments trace their origins to the first E & D (Experimental and Demonstrations) manpower project in Burlington-Morrisville when many participating homes were found to be unlicensed and considered to be substandard by the Day Care Unit.

By December 31, 1970, Gerhart had completed a new set of licensing standards which covered day care, kindergarten, nursery school and what Vermont calls non-recurring day care services, i.e., temporary care for children of seasonably employed parents.

At the end of 1970, Gerhart reported a total of 91* licensed day care facilities itemized as follows:

| Private Licensed Facilities | | Public Licensed Facilities | | Licensed Slots | Filled Slots | Vacancies |
|---|---|---|---|---|---|---|
| Homes | 28 | Head Start | 20 | 424 | 389 | 35 |
| Centers | 17 | Title IV-A | 17 | 512 | 235 | 277 |
| | | Model Cities | 1 | 30 | 25 | 5 |
| Totals: | 45 | | 38 | 966 | 649 | 317 |

(*Note: A discrepancy of eight centers has not been explained)

(Note: Private day care services operate on the fees for service they generate)

Along with the rest of the Day Care Unit, the licensing function was transferred to the new Office of Child Development in August, 1971. Licensing can be expected to play an important standard-setting and monitoring role in implementation of the FAP Child Care Operations Plan.

## INFORMATION

Information, as one of the most important ingredients in planning, appears to have been overlooked as a major category for systemization in the Vermont day care planning process.

There was no evidence of a master plan to collect, select, store, use and distribute information. Instead, the fragmented program approach seems to have wound its way through

Washington, flown up to Vermont, and touched every facet of the planning process.

With respect to information, program components in Vermont related directly to their counterparts in Washington and functioned independently of one another. Child care was no exception.

Here are a few examples of some problems which resulted:

a. A comprehensive inventory of available FAP child care resources was required in the contract, but there was no evidence of such an inventory, although responsibility for the work was placed in the operations unit.

As part of their duties, program developers were to develop resources and inventory them. But there was no evidence of a system to share this information with FAP Child Care Planners or with the Day Care Unit Director.

b. Each 4-C Committee maintained its own activity records. So did each of the program developers. There was no evidence of a central state information system which contained accurate updated data on day care activities. It was only when requests for reimbursement came from local 4-C committees to the Day Care Unit for payment that specific information reached Montpelier. Even then, all of this information was handled by one bookkeeper whose indispensability was verified when she was injured in an automobile accident and information became unavailable during the extended period of her recovery.

c. In the absence of real program information, most planning decisions were made from statistical manipulation, which selected out non-FAP day care consumers and made little use of Head Start experience.

Given the small population in Vermont, it might have been easier to survey all day care facilities and all potential users before selecting potential FAP eligibles. This broader sweep approach might have provided sufficient information to meet unanticipated planning and operating needs later on.

d. The HEW-Vermont contract contains the following information requirement:

> (3) Examination of trends regarding the national child care system--administrative control, funding and program content--and integrate them into the planning for a model FAP child care system which will

work in Vermont or nationally.

We could find no evidence of a systematic method for accomplishing this task.

e. The HEW-Vermont contract is the basic planning document and is, itself, confusing to read and poorly organized. Added to this, the OEO-HEW agreement was merely stapled to the Washington copy of the HEW contract and not integrated into it. Vermont planners never received a copy of the HEW/OEO agreement. It seems reasonable to expect, then, that Vermont planners have been unable to agree on exactly what was expected of them.

f. We found SOEO and FAP lists of facilities quite inconsistent. Apparently, there was no updated master list of facilities which could be used by both staffs and verified.

Clerical systems appear to have had lowest priority. Yet clerical personnel were expected to keep records and prepare reports. Entire information systems depended on single individuals. We learned that one important step in the licensing process was dependent upon one clerk in whose absence records and documents were collected and allowed to wait.

Overall, it seems evident that the planning process suffered from the absence of a well organized and well-run information system.

## *Chapter 3*

# The Operations Plan

The Child Care Operations Plan was designed to become the blueprint of the Vermont Model FAP Child Care Service System.

In addition, it was to serve as a state model for the national implementation of FAP.

In order to test its validity, the pretest was structured to permit a twelve to eighteen month operating period, during which time the plan could be "de-bugged" and evaluated in the context of national policy.

For phase two of its contract, LICD staff examined the transposition of the operations plan from blueprint to operating system, and evaluated "how well" the system worked to achieve FAP goals.

For that reason we deferred a detailed analysis of the operations plan until it could be tested and evaluated in the real world.1/

Much of what has been written in this chapter describes the work and the special problems of federal and state planners and deals with those elements of the planning process which most directly affected the preparation of the Child Care Operations Plan.

## MATHEMATICA, INC.

In March of 1970, federal planners in Washington decided to use the services of an experienced firm with a capability to assist Vermont in the FAP pretest. On the basis of its track record in income maintenance research, Mathematica, Inc., was selected.

The Vermont-Mathematica contract was prepared by Jodie Allen and Joe Corbett (of HEW) and Mathematica's Dave Kershaw.

They included in the major problem areas federal takeover of welfare caseloads, a work test, transfer costs, regulations and staffing.

In early discussions, they covered a wide range of issues such as whether or not such an experiment was appropriate, where to begin, what issues were most appropriate for experimentation and the degree to which an experiment could be faithful to the FAP bill.

It seems clear that Mathematica was built into the

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1/ See Volume II, Chapter I The Operations Plan: A Critique, p. 161.

Vermont pretest from the beginning, since the Mathematica contract began on July 1, 1970, when the HEW contract became effective.

Mathematica's tasks were to provide Vermont with high powered expertise and data in order to rapidly develop a body of knowledge and a set of policies and procedures to implement a federalized FAP statewide income maintenance program.

Most of the early attention was focused on an income maintenance pretest, but George Carcagno and Kathleen Futrell emphasized the need for child care services and successfully included that component.

### *Expectations*

The following excerpts from the Mathematica contract include those provisions most directly related to the administrative aspects of the child care component.

> (1) Providing technical assistance to the State FAP Planning Unit and producing a report related to the Federal Administration of FAP, the state supplemental program and other state welfare programs.
>
> (2) The development, administration, processing and analysis of two surveys to be administered in the State of Vermont. The first survey (screening interviews) will determine the location of the sample representative of potential eligibles for the Family Assistance Program. The second survey will affirm eligibility and collect detailed baseline data on the sample members.
>
> The final product of this contract component will be a final written report to the Department which will include analysis of data and recommended courses of action.
>
> (9) Develop a preliminary plan for rapid implementation of a state-

wide pretest of FAP.

(13) Outline the size and staffing requirements of the administrative organization to carry out all of the above functions.

(25) Outline the size and staffing requirements for the FAP day care component when the national program is established.

(18) Examine trends regarding the national child care system--administrative control, funding and program content--and integrate them into the planning for a model FAP child care system which will work in Vermont or nationally.

(17) Extrapolate the baseline survey information in order to estimate Vermont's FAP child care needs by type, number and location. With operational staff, these needs extrapolations will be reviewed and short and long range program priorities, as well as action goals, will be defined.

E. Development of Baseline Survey

The baseline instrument will be developed concurrently with the screening interview in an effort similar to the planning of the screening questionnaire... Attention in the development of this questionnaire shall be given to such items as:

(1) Confirmation of FAP eligibility;

(2) Family composition;...

(4) Neighborhood characteristics... availability and utilization of day care,

(5) Attitudes and knowledge of respondents... attitudes about day care...knowledge of available day care facilities...

Dave Kershaw was Project Director and organized the work into 14 major policy areas, only one of which dealt with child care. Each policy area was handled by a Task Force composed of 3-6 Mathematica staff, one or two federal government staff and 1-3 Vermont staff.

The Child Care Task Force included

Glen Cain, Chairman, Mathematica
Mary Procter, Mathematica
L. Goldman, Mathematica
Dan Holland, Vermont
Sam Granato, OCD/HEW
Mary Siegel, FAP/HEW
Kathy Futrell, FAP/Vermont

Dave Kershaw, Jodie Allen, Joe Corbett and Kathleen Futrell wrote the child care questions for the screening and baseline surveys which were conducted in September, 1970. However, the data from this work was not completed when expected and the Child Care Operations Plan was written without it.

On January 22, 1971, in a detailed memorandum, George Carcagno responded to a request for a status report from HEW with specific references to the Mathematica Volumes and previous papers submitted by mail.

He identified problem areas, briefly described the work in process and stated that a letter to HEW was being written requesting an extension of the Mathematica deadline to complete the work on the baseline survey.

Carcagno also wrote that, "Because of delays in the completion of the baseline survey, only preliminary statistics on child care have been available to date." He projected the end of February, 1971, as a completion date for the Mathematica survey and noted that the FAP Planning Staff would be "...closely involved in the analysis...especially for use in local and regional planning efforts..."

With respect to the incorporation of federal child care planning into the Vermont Model, Carcagno wrote:

> Extensive involvement with federal officials from the national FAP Planning

> staff, HEW Office of Child Development, SRS, Research, OS-ASPE and OEO throughout the preceding quarters enabled the Planning staff to incorporate into the Operations Plan what was viewed to be major policy trends in regard to FAP Child Care. In some ways the federal review of the plan itself has tended to crystalize trends. This demonstration project is forcing thought on some previously unexplored issues, and compromise--if not resolution--of at least some of the major differences of opinion in the areas of FAP Child Care philosophy and and services delivery.

With respect to the development of procedures for joint funding of child care, Carcagno wrote:

> The Operations Plan has been distributed to Regional HEW and CSA representatives. Meetings have been held by federal and regional officials to discuss the project. Enthusiasm has been expressed from the beginning for merging the Title IV-A and FAP money for the Vermont demonstration, the understanding being, however, that without a waiver of the single state agency provisions under Title IV, the authorization and accountability of funds would still have to go through the Department of Social Welfare. If Regional CSA representatives were to be able to work directly with the child care unit, it is our understanding that the Operations Plan would in part constitute the state service plan requirements and the regulations described would be applicable to both programs.
>
> In this interim period, Title IV-A community child care development activities have been delegated to the operations staff except for the actual certification of expenditures of funds, which is still done by DSW (such a division of responsibility between two agencies has been time consuming and has created an extra burden of work and confusion).

Child care data from the baseline survey was published as Chapter II in Mathematica, Volume V, in March, 1971.

The following excerpts include the statement of objectives and the summary of findings:

> The primary objectives of this child care analysis are:
>
> 1. To define the total possible FAP child care demand in Vermont.
> 2. To delineate those demand dampening factors which should be considered and to assess their effect on total demand.
> 3. To explore the child care programming and policy implications based on survey information regarding existing utilization patterns and stated preferences.
> 4. To forecast possible child care costs based on existing costs revealed by the survey and on assumptions regarding the generation of more child care service in Vermont.
>
> Throughout this chapter, distinctions are made within the total low income population surveyed with children under 15. Those lowest income populations within this group are classified eligible for Family Assistance Program benefits on the basis of income tests described in Chapter V; the remainder are the near eligibles. FAP legislative provisions regarding child care services allow the development and delivery of services to "potential" FAP eligibles (the near eligibles) as well as to actual FAP eligibles. Potential eligibles would receive partial subsidies--the amount depending on income and family size. The actual FAP eligibles would, in general, receive free child care. Therefore, within the child care chapter, FAP eligible families and children are referred to as being eligible for full subsidy and near

eligible families and children for partial subsidy. 1/

These distinctions are necessary in determining the priority child care service groups within the low income population and for projecting program costs.

This preliminary analysis is focused on total child care demand within specific eligible categories. Whether the families are participating in the ANFC program would not significantly reduce the total child care demand or cost projections in that child care costs related to employment and training would be assumed by FAP when it becomes operative. However, an undercount of the ANFC population on the survey--primarily single female-headed FAP eligible families--will mean that the female mandatory registrants, by necessity the priority FAP child care services demand population, is understated. 2/

## SUMMARY OF FINDINGS

In summary, there are 5,877 children of FAP eligible families in Vermont that are potential participants in a FAP child care program and an additional 11,066 children from near eligible families. Approximately two-thirds of these children are of school age and require before and after programs, not preschool licensed center and home care. Costs of a FAP child care program for these

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1/ "There has been discussion at the federal level of eliminating the potential provision. In forecasting demand, all breaks include eligibles and near eligibles for ease in making adjustments if a change does occur."

2/ "To adjust for the undercount, the number of FAP eligible children under 15 (19,744) should be increased by an estimated 8% or 1,580 children. The adjustment was not made because of the difficulty of assigning the undercounted population to specific age groups, and the fact that, in terms of the total number of FAP eligible children, the undercount is relatively small."

eligible and near eligible children could run as high as $18.5 million.

Nearly 61% of the children of low income mothers working outside the home in Vermont care for themselves when they are not in school. Of those children who do have care arrangements, more than two-thirds are cared for by a member of the household or a relative or friend. Only 3% are cared for in a family or group day care home or center.

Licensed facilities are scarce and there is a lack of knowledge about the services which can be provided in a day care center or home, yet approximately 50% of the working mothers (and those non-employed or working at home) say they would utilize a facility that provided good, inexpensive care. At present, 89% of the mothers expressed satisfaction with their current arrangements.

Nearly 34% of the low income mothers need care for their children after 6:00 p.m. and an average of 29% need care during the weekend while they are working outside the home.

For the total low income employed population, approximately 70% have no child care costs. The remainder pay an estimated average of $9.60/week/ child.

Of those mothers in the home, 13% indicated they might look for a job. Most mothers did not feel the lack of child care services was an obstacle to their employment outside the home. Thirty-nine percent (39%) of these mothers indicated an interest in taking care of children for pay in their own home if they could receive some training and technical assistance to do it.

Program and planning implications based on this preliminary information will contribute heavily to the establishment of a FAP Child Care Program of the scale necessary to meet Vermont's needs.

To date, most of the Vermont day care activity revolved around pre-school age children. Yet, the baseline survey data indicated that only one third of the potential FAP children were pre-school age.

This discrepancy points up the need to evaluate the use of the whole Mathematica effort which had been criticized by Vermont staff as "not adequate for operating or planning purposes" and "containing a wealth of statewide data which may not be adequate for regional and local planning needs."

The Mathematica report was never intended to be a child care survey and it should be remembered that the original plan was a statewide income maintenance test, not a service delivery test, alone.

Since the Child Care Operations Plan was written independently of the baseline survey, it was evaluated by LICD in Volume II to the extent that it was implemented.

## LEGISLATION

The Operations Plan was designed to meet child care service needs anticipated if FAP 1/ became law. Although planners attempted to keep up with new child care bills and amendments as they were proposed, no basic changes were made in child care planning which differed from the original FAP concept.

In a progress report, the planning staff wrote that

> Changes in the legislation have made obsolete some of the recommendations made in the planning papers. However, since many of the legislative changes have related to such broad issues as the benefit level and the responsibilities of the various agencies, most of the planning papers which deal with detailed administrative and regulative issues remain to the point.

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1/ HR 1. "Social Security Amendments of 1971." Introduced by Congressman Wilbur Mills,92nd Congress, 1st Session, January 22, 1971, reported out of the Committee on Ways and Means May 26, 1971. "Title XXI--Opportunities for Families Program and Family Assistance Plan."

In Washington, Saul Rosoff chaired the Child Development Policy Interagency Committee which, at this writing, was preparing guidelines for the implementation of HR 1. This group was not considering contingency policies in the event some other bill passed.

## GUIDELINES

The Federal Interagency Day Care Requirements were issued in 1968 as approved by the Department of HEW, the Office of Economic Opportunity and the Department of Labor, pursuant to Section 522 (d) of the Economic Opportunity Act of 1964.

The Federal Panel on Early Childhood had the responsibility for revising standards and issuing interpretations.

The requirements set forth in that document applied to all federally funded child care programs. Accordingly, Vermont FAP Child Care Planners consulted the Requirements in preparing the operations plan.

In May, 1971, Child Care Planners received a copy of the proposed revised guidelines for their review and comments. The Federal Panel on Early Childhood received the new version on October 27, 1971.

The revised Requirements contained a federal model code for day care with optional standards for voluntary licensing by state and local agencies.

In Vermont, the new Office of Child Development issued Interim Program Guidelines and Operating Procedures for FAP Day Care in August, 1971. These guidelines were prepared by the FAP Child Care Planners and followed the operations plan. They were chiefly concerned with eligibility and financial procedures and did not deal with service delivery problems.

## CURRENT STATUS

Vermont's Child Care Operations Plan was submitted to HEW in October, 1970, for review by the Federal Interagency Committee. Written comments and questions from Washington were responded to by Kathy Futrell. Following a series of written memoranda between Mary Jane Cronin and Futrell a briefing was held in Washington on January 11, 1971.

Dr. Cronin's full report is reproduced, below, as an excellent summary of the status of the project at that time:

> A briefing on FAP Child Care Planning was presented to DHEW and OEO staff members on January 11, 1971. The report on planning was presented by Kathy Futrell

of the Vermont FAP Planning Task Force. The operational plan and related Title IV-A child care activities was presented by Dan Holland, Chief of Child Development Programs in state OEO and Chairman of the State 4-C Committee. Their remarks were supplemented by Tom Davis, State Director of OEO.

Vermont has placed all of its child care programs under the state 4-C Committee in OEO except for WIN child care and the fiscal reporting for Title IV-A. The licensing of day care facilities was transferred to OEO although legal problems have arisen on this which it is expected will be resolved by action of the State Legislature. There is approximately $1 million of Title IV-A child care in place or planned in Vermont which the additional $1 million of FAP (OEO) test money will build on and supplement.

The latter funds are being used to simulate the FAP child care system. While no decisions have been reached on FAP child care matters, the Office of Child Development has developed some guidelines for administering the system which are the basic element in the Vermont plan. Following these guidelines, the State 4-C Committee acts as the prime grantee responsible for developing and implementing a plan for providing child care services for past, present and potential FAP recipients. Seven regional 4-C Committees will be prime grantees for their area drawing up a plan for expending the money and approving requests for funding of sponsors who submit proposals based on RFP's.

In the Burlington-Morrisville areas where DOL and SRS have FAP related demonstrations ongoing, the Social Service Agency is working with the DES and DVR on recipient contact and is arranging for services. At the present time the Social Welfare Department is not prepared to perform this function in the other areas and and so the 4-C will provide client and interagency operational contact.

The Rutland 4-C has prepared a plan for spending $225,000 of the FAP child care money. This funding level was set by the State 4-C on the basis of data from the baseline survey and other sources. The area plan will be reviewed by the Executive Committee of the State 4-C (DES chose not to be represented on this committee) and if approved is ready for implementation beginning January 20th. The plan calls for developing services for pre-school and school age children in proportion to the numbers of such children identified as needing services in the baseline survey. The Northeast Kingdom should have a plan in for approval by the end of January.

Planning is less far along in other areas for a number of reasons such as difficulties in putting together a coordinating committee, lack of planning capability, lack of a base on which to expand, etc.

A statewide project to use WIN trainees for training as child care workers has been developed. The persons will be suspended from WIN and receive the proposed training through the New Careers program. A member of the planning staff is coordinating selection, curriculum, employment and other aspects among the supporting agencies (DES-DSW-OEO).

In conversations outside of the briefing the following things were agreed upon or clarified by the Vermont representatives and DHEW staff (Cronin, Granato, and Siegel).

1. A more detailed budget and narrative will be developed which presents the operational plan more clearly. It will show separately administration (training, planning, fee collection, etc.) costs, project grants such as the funding needed for the program to upgrade in-home day care or possibly a special project to develop projects

using school facilities, and vendor/voucher payments.

2. The rationale for allocating funds to particular geographic areas, types of care or types of activities will be spelled out. Data used or formulas developed will be detailed.

3. Policy decisions which have been made in developing the 4-C system will be described. For example, procedures used for selecting or electing the consumer-public representatives provide steps to be taken where an area fails to develop a coordinating committee or agreed upon plan, etc.

4. The fee schedule proposed in the operational plan will be the one used (not clear if it will replace the more lenient Title IV-A schedule for non-FAP child care) unless DHEW proposes an alternative one for testing in the near future. A paper by Mathematica on testing fee schedules should be available within a week.

5. Problems of future funding of the FAP child care were discussed and alternative possibilities are being explored within OEO and DHEW.

6. It was recommended that the DES and DSW formally give approval to the area plans so that the needs and related activities of these Departments are given essential consideration.

7. In one or more areas fees will be collected by the Prime Grantee rather than the center.

After that briefing, several months of continuing activity resulted in a verbal approval of the Operations Plan.

LICD investigation revealed that a letter of approval had been drafted in April or May of 1971, but there was no evidence to date (October 22, 1971) that written approval of the Operations Plan was ever sent by Washington or received by Vermont.

Nevertheless, verbal approval was apparently received and the Operations Plan began to take form as the FAP Child Care System in the spring of 1971.

*Chapter 4*

# Day Care Services

LICD's investigation of operating activities during the planning process was limited to those elements which directly related to planning, with one exception. As described in our work plan, we visited nine pilot day care sites to pretest the interview instrument we planned to use when evaluating the operating system for our final report in Volume II.

The site visits provided many insights and some important clues to the link between planning and operating activities. Additionally, they helped provide some perspective for the multitude of expectations imposed on the child care planners by the federal government.

Despite heavy emphasis on the allocation and control of financial resources, the FAP child care system's end product was to be services. It may be that one source of the planning versus operations conflict in Vermont stemmed from misplaced emphasis on the part of the planners whose responsibility for meeting FAP financial requirements overshadowed the reason for the child care system: "the provision of quality child care for FAP eligible families."

When Title IV of the Social Security Act was amended in 1956, the intent was to enable states to furnish financial assistance for services to strengthen the families of needy children. The 1962 amendment added rehabilitation to ensure achievement of the legislative intent.

Yet, nowhere in the Vermont pretest did we find a reference to the underlying requirements in Title IV, despite its tremendous importance as a financial resource to the FAP child care system.

The point is made here to place in perspective the planning foundations for this pretest in which most of the planning efforts were directed toward a money management system which viewed services as a by-product.

It was within this frame of reference that the planning process dealt with the design of a child care delivery system. Rather than starting with families and their needs, the pretest planners (including Mathematica) assumed needs based on data manipulation and available federal funds.

## PROGRAM DEVELOPMENT

The FAP child care system operated primarily through regional community coordinated child care committees which received technical assistance and guidance from the state 4-C Committee and the staff of the Day Care Operations Unit in the Office of Child Development. (See Appendix A-4, and Figure 2, pp. 149-158.)

These volunteer community organizations have become the subcontractors for the state's public day care efforts (Title IV-A and FAP). They were organized under the auspices of the State 4-C Committee to help meet the expectations contained in the federal contract documents. Both the HEW-Vermont contract and the OEO-HEW agreement use identical language (below) to make general statements regarding program development requirements:

> Development and implementation of techniques to quickly generate interest in local day care programs and to provide actual assistance in the formation and operation of programs. One method, already used on a limited basis, will be further evaluated--that of establishing a network of program developers who are capable of providing public education efforts regarding needs for expanded day care services and of organizing local interest to the point of action. It is anticipated that as the demand for day care services at the local level increases, other techniques requiring less "selling" effort can be effective, i.e., a grant program, a central clearinghouse for information regarding the use of FAP child care monies and recommended administrative procedures.
>
> When the day care program is fully operational (within twelve to eighteen months) responsibility for the day care operations will be transferred from SOEO to an appropriate agency, agreed by the state and DHEW. The day care operational staff will provide the developmental, administrative and support services for both the Title IV funds and the requested child care and seed grant funds under this contract.

The OEO-HEW agreement, however, contains additional requirements, concerned with children's needs and operating problems:

> Thus, the problem is to plan, demonstrate, evaluate and develop a model FAP child care system which will be cognizant of and responsive to the needs of children of FAP.
>
> Through actual operation of child care programs in the state, techniques shall be explored for the rapid development and expansion of child care facilities.
>
> With the FAP day care planning staff, day care operations staff will define program priorities and priorities for the distribution of limited day care resources within the state.

Apparently unwilling to restrict all FAP day care development to the 4-C mechanism, HEW also required:

> Development of techniques to generate day care services in areas where community-coordinated child care programs are difficult, if not impossible, to develop. Included, will be consideration of temporary day care programs, contracts with outside suppliers, and innovative transportation systems for moving children to areas where programs are available (conditions under which community-coordinated programs are unlikely to be successful will be clearly defined).

and the same expectation later appeared, almost verbatim, in Mathematica's contract.

Operations and planning interests converged in the area of resource identification and inventory. But there is no evidence that any attempt was made to coordinate resource development in order to meet the following HEW requirements:

> (1) definition of present systems of child care in Vermont detailing type, location and numbers of services, and those institutions responsible for generating and operating services.
>
> b. On the basis of the inventory of day care efforts (specifying types of care,

> groups served, identification of gaps in services--programmatically and geographically) and the baseline survey of potential demand covered by the day care planning phase described above, target areas for immediate concentration of effort and specific program needs will be reviewed and expanded. Long range goals will be set. With the FAP day care planning staff, day care operations staff will define program priorities and priorities for the distribution of limited day care resources within the state.

We have discussed Mathematica's baseline survey in Chapter 1. Organization and Management. However, prior to that work, members of the State 4-C Ad Hoc Committee in 1969 estimated day care needs based on their own experiences.

Chaired by Dan Holland, the Ad Hoc Committee represented broad interests and thought they knew what the needs were. They felt they needed 2,000 pre-school slots immediately, and would eventually need 7,000. There were 30 members on the full committee: 10 public representatives, 10 private representatives and 10 elected parents from Head Start PAC groups, all appointed by the Governor. Of this group, 8 members (6 state, 1 CAA, 1 poor parent) served as the administrative "steering" committee.

Added to other problems, planners felt that they had no lead time to prepare because of deadlines which didn't allow for start-up time, and that they had too little time to do rational data collection which requires, first of all, a system based on careful correlation of relevant factors.

It would appear that widespread community involvement in the planning process was required, but little time was allowed for it. Resources were to be identified and inventoried, either on a highly pre-selected basis (Mathematica) or very loosely through program developers working independently of one another in assigned territories.

When meetings were held with program operators and other community people, they were "told" about decisions and had the guidelines "explained" to them. In August, 1971, Head Start and 4-C Directors met with state planners to provide some input on guidelines, but there is no evidence that community people were systematically consulted in resource planning.

## ALTERNATIVE MODELS

One of the more important aspects of the child care pretest involved the development and testing of alternative models.

Both HEW and OEO used identical paragraphs to describe expectations in this area:

> The design and conduct of programs which demonstrate new ways to provide child care services in the state. Such demonstrations may include (1) the development of satellite day care homes staffed by FAP mothers around a nuclear center where educational materials and staff services are available; (2) the innovative use of existing ETV programming for children in homes and centers across the state or the development of ETV programs and accompanying educational materials for children; and (3) an innovative transportation system for rural child care programs.

But, once again, OEO attempted to clarify the alternative models requirement by adding this statement:

> It is envisioned that the product of this effort will be a system of practical alternatives which can be exercised in a community--given a set of defined situational factors--and which, when implemented, will quickly result in the provision of adequate and sufficient child care services in that community.

Vermont planners on both staffs, Planning and Operations, helped to successfully develop several types of day care models during the planning process.

Development of the following collection of eight alternative models is particularly impressive when one considers the pressures of time and the built-in constraints faced by staff of the pretest:

1. In-home day care services for families participating in the E and D FAP Manpower Project (funded by DOL) in the Burlington-Morrisville area. This project, also referred to as the Chittendon-Lamoille County Project, has day care provided by vendors who receive payments directly from the state.

When discussing the E & D project with LICD, Dan Holland remembered that he hadn't wanted the state to fund day care homes which didn't meet licensing standards. When his staff investigated 27 homes and only one of them met standards, he felt that if the FAP mothers chose those homes, they should be given the money to spend as they wanted. This eliminated direct payment by the state to vendors he considered substandard.

Apparently, this early experience helped contribute to the custodial vs. developmental schism.

Nevertheless, the E & D project was expanded in FY'72 to include all fourteen counties statewide.

2. The Rutland 4-C Committee received a direct grant March 1, 1971, to test out financial management at the local level. The objective here was to test a locally controlled financial system with the 4-C Committee responsible for banking its money, determining eligibility, approving payments and making disbursements. 1/

Rutland was selected for this test because planners "knew" the community and expected fairly prompt action.

The Rutland direct grant was written jointly by FAP Planning and Day Care staffs. With an effective date of March 1, 1971, $110,000 was approved as the first payment on February 29. Total amout of the grant was $275,000 of which $25,000 was to be used for "seed" money (i. e., facilities rehabilitation and renovation).

Despite the rush to test this model, Rutland 4-C Director Betty Ferraro reported that no money was released for this project until April 22, 1971, almost two months later.

As an alternative model, the Rutland 4-C direct grant is testing only a financial system. Its contract contains the identical requirements and constraints found in the other contracts.

3. Planning for the UVM (University of Vermont) model began in January, 1971, by Dan Holland and Julia Lepeshkin, a UVM instructor who was interested and actively working with the Day Care Unit.

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1/ All other 4-C systems transmitted requests for fee reimbursement to the Day Care Unit, then later distributed the checks to operating sites.

Over a period of several months, a university - based design was developed for a model day care center and funding negotiations began. Lyman Stookey and George Carcagno wrote the first draft proposal which, we were told, was unacceptable because OCD/HEW didn't want to fund another model day care program, but instead, wanted home care enrichment to upgrade existing services which were mostly in homes.

In August, Kathy Futrell put together a new proposal which the state OCD submitted to Washington.

In October, 1971, at this writing, there seemed to be some confusion about this project's status. UVM had advanced some money for an October 18 opening date and hired Peter Garen as Director. But the proposal was still pending in Washington, and we could find no written approval of the project.

The UVM model stirred controversy in two areas. First, several private day care operators serving the potential UVM territory for many years felt threatened and unable to compete with a large institution which probably would receive first referrals of FAP and IV-A children in its off-campus Winooski location. Additionally, at least one such center receiving child health services from UVM expected to be refused service when UVM day care children would have priority.

Second, there was some fear of the quality of UVM child care service and of experimentation with the children by UVM Departments of Psychology, Languages and Home Economics, co-sponsors of the project.

As of October, 1971, many questions appear to remain unanswered, raising the larger question: what was planned? Curriculum and operating details were vague and being negotiated. Licensing standards had not been met. Enrollment procedures were being debated and there seemed to be widespread disagreement on the expectations of this model.

4. By the fall of 1971, two high schools had day care programs.

A Burlington high school and an East Montpelier high school each had enrollments of 25-30 children. Both had FAP, IV-A and private funds, were licensed and related to their local 4-C committees. Each school wanted a day care center to serve children of the high school students and for the special learning experiences such centers could provide.

Vermont's regional vocational high schools were considering day care centers, too, during school hours for the benefit of students. Day care for school age children during the school year was in early developmental stages in October of 1971.

5. There was some effort at the local level to incorporate Head Start programs or concepts in several communities. In some cases, Head Start began to merge with day care, in others the established Head Start programs set the day care style.

6. Consumer Controlled Community Child Care (5-C) developed in southern Vermont and by September, 1971, was operating three centers under Director Joyce Strom in Springfield, Bellows Falls and Windsor.

This project appeared to be growing at a fast pace, had long waiting lists with plans to open more centers as quickly as resources were available. Mrs. Strom also directs three Head Start sites, whcih have begun to merge with the others. To our knowledge, this 5-C Committee was the first of its kind in Vermont and will be studied more intensively during our evaluation of operations.

7. The Green Acres public housing day care model in Barre opened in August, 1971, with a director who had been hired one week earlier, practically no equipment or supplies, a staff of parents and seventeen children, including several infants, all compacted into one large room. If any planning had been done for this model, it was not in evidence when LICD evaluators dropped in for our pilot site visit in late August, 1971.

It is worth noting here that Green Acres was deliberately selected by LICD for a site visit during the planning process because it had been recently opened. (We hope to do follow-up visits to the pilot sites during the operations phase of our work.)

8. Private day care group homes and centers began to enroll Title IV-A and FAP funded children during the planning period. The introduction of state licensing in 1967 had started a movement to upgrade standards of child care and this movement gained momentum during the pretest planning process as private day care became an alternative model.

### *Summary*

In summary, each of the alternative models seemed to have developed independently, without an overall plan. In itself, this unstructured approach to alternatives may have provided the most innovative day care.

The missing ingredient, however, was a plan to characterize, compare and assess these models. For without such an evaluation design, the development of alternatives had little value to a pretest which sought to develop replicable models.

## SERVICES TO STAFF

In the development of day care services, the HEW-Vermont contract required:

> (10) Definition and evaluation of techniques for rapid resource development at the local level including the development of personnel to provide child care services. Alternatives which will be explored include: (1) job training programs (i. e., New Careers possibilities for FAP recipients and other non-professionals in the child care field) which might be coordinated with employment training components of FAP and the ongoing WIN and MDTA programs; and (2) follow-up training and definition of continuous staff services, which might be necessary in the operation of child care programs. The introduction of child development into home care should be a major consideration in both training programs for personnel.

### *Mathematica, Inc.*

The paragraph above was inserted verbatim in the Mathematica contract. However, that company's staff received no requests from the Vermont planners to provide assistance in the area of job training programs and none of their reports contain any reference to it.

Apparently, Mathematica's major contribution to the child care planning staff evolved into three tasks:

1. the screening and baseline surveys;
2. consultation and advice in the development of fee schedules; and
3. design and development of the voucher experiment.

Our investigation revealed

a. that the baseline data was received after the writing of the Operations Plan;
b. that Mathematica's fee schedule input was "extremely valuable" to FAP Planning, and

c. that the voucher experiment was not tested because estimates of cost indicated it would be too expensive.

Day Care Unit staff described the Mathematica child care information as "hard to read . . . . not summarized . . . . of no value in delivering day care."

*New Careers*

One special project was developed by Mike Wriston of the FAP planning staff in cooperation with WIN staff, a one year training program for four FAP mothers to become day care aides under a joint funding arrangement. Typical of the pretest, however, most of the planning revolved around funding questions. We found no system to evaluate the net effect of the program on trainees, children or employers.

*The Thiokol Contract*

The first draft of the Vermont FAP pretest proposal contained $50,000 for the FAP planning staff to use for research and innovation. Assuming that most Vermont day care would probably continue to be provided through homes and home-grown small centers, at least for a substantial period of the pretest, FAP planners wanted to explore the possibilities of getting developmental day care into home sites.

However, in the final proposal, the $50,000 was placed in the budget of the Day Care Unit which decided to hire a consulting firm for technical assistance.

After verbally requesting proposals from fifteen different companies, most of whom submitted position papers, the Executive Committee of the State 4-C Committee selected four finalists, interviewed their representatives in Boston and selected Thiokol Chemical Corporation on October 15, 1970.

After revising the original contract to obtain DHEW approval, SOEO and the Thiokol Corporation signed a contract on November 24, 1970, effective November 30, 1970. The contract was subsequently amended, as required by DHEW, on February 10, 1971. (See Appendix A-4.)

Thiokol agreed to provide professional services in three areas:

1. planning of day care facilities;
2. staff training; and
3. development of evaluation procedures for the day care unit.

Because of the special importance of evaluation to a pretest, we have included our analysis of Thiokol's evaluation work in Chapter 6 (pp. 137-148).

The following contract excerpts describe Vermont's expectations with respect to facilities and training:

> A. FACILITIES
>
> Provide procedures and guidelines in accordance with state and federal requirements to:
>
> 1. Locate potential day care facilities.
> 2. Assess facility suitability.
> 3. Estimate facility rehabilitation costs that conform to State of Vermont and Federal Interagency day care minimum licensing requirements.
>
> This will include the services of a facility engineer on site on an "as needed" basis to survey selected sites within the five (5) STATE-designated CAP areas, which will not exceed a total of five (5) separate locations.
>
> The facility engineer will assist when possible 4-C groups, either local day care center staffs, and local Head Start program directors.
>
> B. STAFF TRAINING
>
> A comprehensive staff training and development program for selected members of the Vermont Day Care Operations Unit staff will be provided. Selection of the staff to be trained will be made by the STATE.
>
> The comprehensive staff training and development program will include a training session for the staff of the Vermont Day Care Operations Unit, utilizing the training package to be developed by the CONTRACTOR. Also a limited number of operating level staff workshops or training sessions will be conducted by the staff of the Vermont Day Care Operations Unit, with the

> assistance of the CONTRACTOR for five (5) to eight (8) sessions. These training sessions or workshops will be located geographically throughout the State of Vermont to allow maximum exposure of the staff of the Vermont Day Care Operations Unit to the expertise of the CONTRACTOR within the period of performance of the contract. . . .
>
> D. REPORTS
>
> Five (5) copies of the final report of activities completed by the CONTRACTOR will be furnished to the STATE within thirty (30) days following contract completion.

Washington FAP staff raised several important questions in writing regarding the training/technical assistance aspects of the work, but LICD investigators could find no evidence of follow-up by HEW.

As for the actual Thiokol work and its value to child care planning, these were our findings:

1. A Thiokol engineer was assigned to the Day Care Unit for 13 weeks. As of 9/16/71 no written summary of his work had been received and no evaluation was made. Also there was no follow-up to determine whether or not this work was helpful to the sites re facilities.

2. Thiokol prepared a 300 page, 15-part training manual and conducted a 10-day training seminar in Montpelier for State Day Care Staff, FAP Planning Staff and Head Start Regional Directors.

As part of the preparation for this work, Thiokol obtained input from people all over Vermont. Their six week contract was extended for an additional sixty days to accommodate the new time dimension caused by this field research.

One hundred fifty copies of the manual were printed and distributed as follows:

Each CAA
All relevant state agencies
Regional 4-C's
Head Start directors
Relevant private agencies
Public day care operators

4-C related day care operators
Other operators who requested copies

Subsequently, requests for copies coming from out of state were referred to Thiokol.

The Day Care Unit used the manual to train day care operators and we learned that Head Start and Day Care staff used it,along with other resources, for Technical Assistance and Training.

Despite this wide-spread use of the Thiokol training manual, LICD analysis found it to be unsuitable for amateurs. It is a well-done but highly technical work designed chiefly for experienced trainers. The manual includes a ready guide for day care operations which leaves the impression that the manual is mostly for trainers, but with an air of "while we're at it, let's throw in something for center directors."

Except for the initial ten-day seminar conducted by Thiokol, the manual does not seem to be part of a concerted training effort for the development of Day Care Center personnel by a corps of competent trainers.

The most valuable part of the Trainer's Guide deals with assessing training needs. There is a fine, detailed explanation (in both written and graphic forms) of a systems approach to training. And though it requires a great deal of prior experience for the trainer--one of the reasons we concluded that the manual was meant for use by experienced trainers--this assessment model is excellent.

The trainer information notes offer one possible danger, however--that the manual could be handed to some inexperienced person with the notion that reading the notes will result in an instant trainer. Great harm could result from that--not the author's fault--because the training program, limited as it is in technique, has a complexity which requires skilled trainers.

One other criticism by Mike Wriston concerns what the manual doesn't include:

> . . . all budget and management issues, almost all substantive organizational and responsibility issues, and the more specific questions of transportation and staffing patterns (i.e., child care as a career, particularly for low income people) . . . a lack of innovation or substantive discussion in the (more complex) areas of

> Developing Daily Activities and Health Programs.

## SERVICES TO CHILDREN

The HEW-Vermont contract states:

> Design of referral procedures between day care and other FAP components. Of particular concern will be referrals for supportive services for children.

This expectation was translated into the Mathematica contract as:

> (6) Determine how the Medicaid eligibility function for these persons eligible for state supplements or AABD will be administered.
>
> (7) Develop procedures for the referral of recipients between the various agencies and . . . local day care agency.

Based on our very small pilot site sample, and interviews with state and local staffs, there did not appear to be any system for using the Mathematica papers to help provide ancillary services to FAP day care children during the planning process.

There continued to be substantial disagreement about defining and providing quality child care and its relationship to supportive services.

## SERVICES TO FAMILIES

HEW required:

> (6) Examination and identification of the relationship between job or industrial development in a community and the ease in development of child care services.

Once again, Mathematica was expected to provide service. Baseline data include statistical information relating employment to child care services but, to our knowledge, no statewide system was devised to link the two components during the planning process.

There was one related policy which permitted a FAP parent to select any day care facility, even certain unlicensed homes. While appearing to be an option to facilitate parental employment or training, the approval (for FAP children only) of unlicensed spaces may have created more problems than it solved.

## CURRENT STATUS

By October, 1971, the operations plan began to come to life. Regional 4-C committees were expected to receive $10,000 each in November, 1971, for administrative planning.

The new Office of Child Development was systematically taking shape under the direction of Joan Babbott.

However, one important area of investigation remained unclear at this time.

During our investigation of the planning process, we were unable to learn whether, if or to what extent Community Action Agencies were involved in the FAP child care pretest planning process.

John Wilson's letter of June 18, 1970 to John Montgomery clearly stipulated that the following two conditions were added to the OEO-HEW Agreement:

(a) HEW will insure that the requirements of Section 232 (d) of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2825) are met. This Section states that:

> "No pilot or demonstration project under this section shall be commenced in any city, county, or other major political subdivision, unless a plan setting forth such proposed pilot or demonstration project has been submitted to the appropriate community action agency, or, if there is no such agency, to the local governing officials of the political subdivision".

If the plan is disapproved by the appropriate community agency or political subdivision, the proposed project shall not be commenced unless the plan had been reconsidered by the Director of

> OEO and has been found to be fully consistent with the provisions and in furtherance of the purposes of Title II of the EOA.
>
> (b) It is understood that those responsibilities which the attached documents indicate will be performed by OEO will, in fact, be performed by the State Economic Opportunity Office. Any additional staff required by the Vermont State Economic Opportunity Office to carry on this project will be paid for out of the funds being transferred under this Agreement.

The letter then concluded:

> When you have concurred with the stipulations in this letter and the attached documents, we would appreciate your signature below and the return of this letter to me at the Office of Economic Opportunity.
>
> Sincerely,
>
> John Oliver Wilson
> Director
> Office of Planning, Research and Evaluation
>
> Approved by________________________________for DHEW
>
> Title__________________________________________
>
> Date___________________________________________

While searching for evidence of compliance, we learned that Vermont FAP Planning Staff was unaware of these conditions, as they were not included in Vermont's working documents or the HEW-Vermont contract (see Appendix A-1).

Inquiries to the Day Care Unit staff confirmed our findings that there had been no systematic sign-off by Community Action Agencies.

At this writing, we could find no evidence that HEW (John Montgomery) signed and returned to OEO (John Wilson) the supplementary letter.

The implications are obvious. If, in fact, HEW did not agree to the additional terms and/or, if HEW did not include those terms in its contract with Vermont, FAP planners in Vermont can hardly be held accountable for compliance.

### Chapter 5

# Money

The Vermont FAP pretest followed the traditional pattern of federally funded programs (see Figure 1). Each of the federal agencies involved required written proposals from its counterpart agency in the state. These proposals were tailored to fit the existing federal guidelines and regulations. In at least one case, federal officials actually wrote the proposal for one component, a proposal which was criticized as unrealistic and later modified, in a limited way, by state officials.

Despite a tradition of shying away from federal program funds, Vermont's shift in the other direction during the past few years is sharply reflected in agency nomenclature: the State "Office of Economic Opportunity," the new "Office of Child Development," the "FAP" Planning Staff.

Further indication of this phenomenon became apparent as we discovered in the vertical working relationships, strong identification between counterpart agencies in Vermont and Washington: FAP to FAP and Day Care Unit (SOEO) with OCD in HEW.

The real significance of this finding lies with its effect on planning and decision-making. For when the funding source not only determines the problem or issue, but also directs what to do about it, how to do it and controls the resources, state and local planning becomes merely an exercise in compliance.

In the case of the Vermont pretest, the FAP staff was to plan and coordinate, but its work concerned financial management almost exclusively. The designs of the child care component and the operations plan are so heavily involved with money that the reason for the expenditures appears to be secondary. However, it should be noted that both the HEW-Vermont contract and the OEO-HEW Agreement required this emphasis.

## HEW/VERMONT CONTRACT

> (8) Development of alternative schedules controlling the share of day care cost to be borne by families at any given income level. Schedules tested should include at least one which introduces into the decision of a parent who is at best a potentially low wage earner or who has a large number of dependent children, full consideration

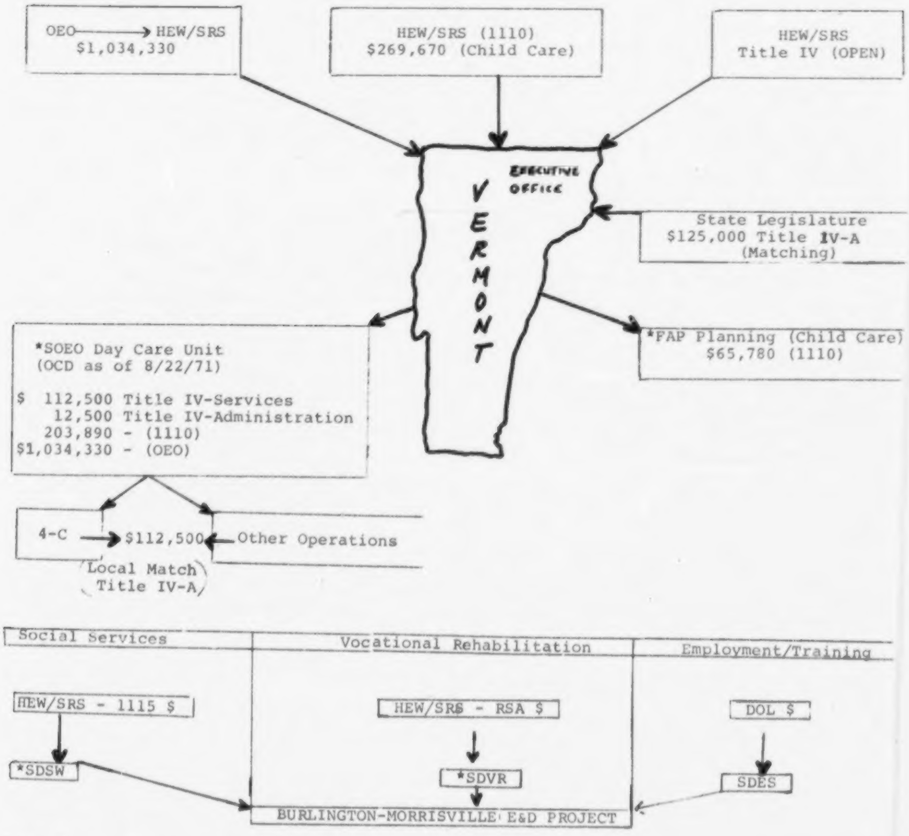
Figure 1

PROGRAM COMPONENT FUNDING OF VERMONT FAP PRETEST FY 1970-71

TOTAL HEW CONTRACT BUDGET

| | |
|---|---|
| FAP Planning and Baseline Survey (1110) | $ 505,330 |
| OEO: Child Care Component | 1,034,330 |
| 1110: Child Care Component | 269,670 |
| TOTAL | $1,809,330 |

STATEWIDE CHILD CARE SERVICE SYSTEM


OEO → HEW/SRS
$1,034,330
HEW/SRS (1110)
$269,670 (Child Care)
HEW/SRS
Title IV (OPEN)
VERMONT
EXECUTIVE OFFICE
State Legislature
$125,000 Title IV-A
(Matching)
*FAP Planning (Child Care)
$65,780 (1110)
*SOEO Day Care Unit
(OCD as of 8/22/71)
$ 112,500 Title IV-Services
12,500 Title IV-Administration
203,890 - (1110)
$1,034,330 - (OEO)
4-C
$112,500
Other Operations
Local Match
Title IV-A
Social Services
Vocational Rehabilitation
Employment/Training
HEW/SRS - 1115 $
HEW/SRS - RSA $
DOL $
*SDSW
*SDVR
SDES
BURLINGTON-MORRISVILLE E&D PROJECT

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* Under a reorganization of Vermont Executive Agencies, FAP Planning staff, Department Social Welfare, Department of Vocational Rehabilitation and the State Office of Econom Opportunity became components of the Agency of Human Services on January 10, 1971.

of the cost of child care which the decision to work involves. At the same time the schedules should not impose excessive disincentives to significant labor force potential or attachment. Schedules to be tested should also reflect differences in the quality of care provided so as to encourage utilization of less expensive forms of day care thus both minimizing Federal cost and providing a natural rationing mechanism for scarce resources. Schedules to be tested shall be jointly agreed to by the State and the DHEW Project Officer.

(d) Design and evaluation of various child care payment systems and administrative procedures for their implementation. Alternatives for example, will include :
(a) vouchers to individuals,
(b) income exclusion, and
(c) direct contracts with the day care providers. The possibility of designing payment systems which would encourage, through monetary rewards, quality services and trained personnel will also be explored. Systems to be tested shall be jointly agreed to by the State and the DHEW Project Officer.

(4) With the operations staff, the development of procedures for joint funding of day care programs (Title IV and FAP) until such time as national legislation is passed which will place responsibility for day care funding with one agency.

(4) Related to the joint funding policy, procedures must be designed to insure that equal services are provided children in any one center or home. For example, since FAP monies provide for medical and dental services and Title IV monies do not in Vermont, the problem of integrating these funds at the

> operational level must be resolved.
>
> (3) Definition of a State policy regarding the distribution and coordination of 100% Federal contract monies for day care (FAP) with existing Federal monies requiring local cash and in-kind commitments (Title IV). This policy and procedures for its use will be of particular concern in the short range operational phase of Vermont's day care program.

## OEO AGREEMENT

The OEO-HEW Agreement repeated the last two paragraphs verbatim, and also included the followng two paragraphs (slightly modified) which had been written into the original Vermont proposal.

> A total of $834,330 is provided for the purchase of child care services over a ten-month period (less than a full year's funding) is required in order to allow time for the day care unit to become operational. At an annual cost of $1,600 per child for full time care, these funds would purchase 437 full time day care spaces and 501 before and after school spaces. In addition to the funds provided by OEO, Title IV monies in the State will be used to purchase day care services for 625 children at an annual cost of $1,248 per child and before and after school or part-time services for 200 children at $600 per child. The day care operational staff will provide the developmental, administrative and support services for both the Title IV funds and the requested child care and seed grant funds under this contract.
>
> Experience has shown that one of the greatest barriers to establishing a center or home that meets the licensing standards of the Department of Social Welfare is the lack of "seed money" to meet the costs of renovating the available facilities and to purchase necessary equipment. This agreement thus provides $150,000 in "seed money" to meet the

> start up costs of new child care facilities. The costs were estimated on the basis of an average of $2,500 per center for fifty (50) new centers, and $500 per home for fifty (50) new child care homes.

The following paragraph in the original Vermont proposal was restated in the OEO-HEW Agreement verbatim.

> A plan for expending the day care operational funds will be jointly agreed to by Federal and State agencies before operations commence.

During the planning process, there seemed to be some confusion over using "seed money" to rehabilitate existing centers and homes which were "newly" accepting IV-A and FAP children.

Under the terms of the Memorandum of Agreement, OEO transferred $1,034,332 to HEW, budgeted as follows:

| | | |
|---|---|---|
| 1. | Provision for Consultant Services | |
| | Research and Innovation | $ 50,000 |
| 2. | Provision for Seed Grants | |
| | 50 Center X $2,500 | 125,000 |
| | 50 Homes X $500 | 25,000 |
| 3. | Child Care Services | |
| | 437 children in full time care X $1,336* | 583,832 |
| | 501 children in before and after school care X $500* | 250,500 |
| | TOTAL | $1,034,332 |

* 10 months funding

## MATHEMATICA, INC.

With a systems focus clearly on regulating monies, its contract emphasized the expectation that the Mathematica input would help produce an economically sound planning scheme for FAP administration, i. e., one based on the theory of economic man: that, given adequate and sufficient income or supplements-in-kind, subsequent activities would automatically meet human needs.

The Mathematica contract stated:

> (19) With the operational staff, develop procedures for joint funding of day care programs (Title IV and FAP) until such time as national legislation is passed which will

place responsibility for day care funding with one agency.

(22) Develop alternative schedules controlling the share of day care cost to be borne by families at any given income level. Schedules tested should include at least one which introduces into the decision of a parent who is at best a potentially low wage earner or who has a large number of dependent children full consideration of the cost of child care which the decision to work involves. At the same time the schedules should not impose excessive disincentives to maintenance and expansion of work effort for those persons with significant labor force potential or attachment. Schedules to be tested should also reflect differences in the quality of care provided so as to encourage utilization of less expensive forms of day care thus both minimizing federal cost and providing a natural rationing mechanism for scarce resources. Schedules to be tested shall be jointly agreed to by the State and the DHEW Project Officer.

(23) Design and evaluate various child care payment systems and administrative procedures for their implementation. Alternatives, for example, will include: (a) vouchers to individuals, (b) income exclusion, and (c) direct contracts with the day care providers. The possibility of designing payment systems which would encourage, through monetary rewards, quality services and trained personnel will also be explored. Systems to be tested shall be jointly agreed to by the State and the DHEW Project Officer.

## FINANCIAL PLANNING

Most of the planning for day care centered around fee schedules, payment plans and fiscal controls. Costs of day care were arrived at using superficial formulas easily manipulated mathematically and only somewhat relevant to actual costs of day care operations in Vermont.

Planning began with dollars and a limited design for child care services, rather than with actual day care costs and a realistic budget to accomplish agreed upon objectives.

## FEE SCHEDULES

The original FAP bill included a $30.00 weekly per child fee and that figure was used initially in Vermont.

Chittendon 4-C received payment at that rate for the early E & D day care service until a decision was made that FAP fees conform to Title IV-A, which pays $24.00 per week.

One reason given for using the lower $24.00 figure was that the local matching "...was too hard to get."

In 1969, Bennington Day Care, a private operation run by Dan Holland, charged an $18.00 fee which covered staff, rent and utilities costs only. The children received social services from the United Counseling Service, medical care from Medicaid or private doctors, and food was donated from the local high school cooking class. Transportation was provided by parents, and supplies and equipment were begged and donated. There was no dental care.

Bennington, which opened in March, 1969, was ready to close its doors in August, five months later, unable to meet operating costs, when Dan Holland met Preston Bruce at a meeting in Washington and learned of the 4-C and Title IV-A programs and their potential for Vermont.

Holland and others wanted to raise the IV-A guidelines to match FAP, hoping that the $30.00 FAP fee schedule would upgrade IV-A. Instead, FAP was adjusted downward to $24.00.

Bennington became the first day care center to receive Title IV-A funds in September, 1969.

Later, the FAP staff arrived at a preliminary figure of $21.19, using a rate model developed for the operations plan. This figure assumed that medical costs would be met by Medicaid and there would be add-ons for unmet costs, such as renovation.

There was some concern at the local level that private homes receiving $24.00 might not want to use part of that later to pay for ancillary services when such costs may be required by the State.

## COMMUNITY COORDINATED CHILD CARE (4-C)

With few exceptions, the regional 4-C committees in Vermont subcontracted with the state to provide FAP and Title IV-A day care services. This role of operating agency differed from the original 4-C concept in which groups of volunteers were to be responsible only as catalysts, community organizers and policy makers.

In 1970, the Vermont State 4-C Committee drafted guidelines and regulations for the regional 4-C committees which included these statements on financing:

> The Regional 4-C shall...
>
> Oversee and coordinate the disbursement of funds to promote operating efficiency....
>
> B. Definition of Grantee: The grantee is the Regional Community Coordinated Child Care (4-C) Committee in those areas where a regional 4-C Committee is incorporated and presently under service contract with the State Office of Economic Opportunity. The grant period would be for one year, based on the assumption that the federal funds would be available for that period of time. However, in the event that federal funds were not forthcoming, the grant would be cancelled on a thirty day notice.
>
> 3. The Regional 4-C will establish an adequate accounting system approved by State OEO with adequate internal controls to safeguard assets, check the accuracy and reliability of accounting data and promote efficiency of operations.
>
> 4. In addition, an annual independent audit of the fiscal records will be required.

5. A schedule of payments to be made to the Committee.

6. The contract may be terminated if Federal funds were not forthcoming for the full period of the contract, failure to fulfill the obligations of the contract in a timely and proper manner, or ineffective or improper use of the funds provided.

Title IV requires 12 1/2% local matching, other than a fee. Parents can donate because fees cannot be used for local share. Site money goes monthly with billing forms to the local 4-C or to a local umbrella group, and is then transmitted to the state which matches with 12 1/2% more. The final 75% is federal matching.

FAP uses the same procedure, but sends only billing forms and requires no local matching.

Under pressures of pretest timing, Vermont 4-C committees were usually in existence only 2 to 8 weeks before receiving their first contract. (See Figure 2, Chronology Chart, p.149 for contract information.)

Apparently, no overall administrative plan was established for contracting with local organizations.

At the state level, a separate contract was written with each subcontractor for each type of funding (seed grant, direct grant, FAP services, FAP planning, Title IV-A planning, Title IV-A services) rather than a single contract with multiple clauses. (The categorical funding syndrome.)

At the regional 4-C level, volunteers attempted to cope with administrative, legal, financial and operational responsibilities, all of which frequently fell to one or two leaders, who did the best they could on their own.

So it appears that one volunteer bookkeeper in each 4-C became the receiving end of all the sophisticated financial planning without adequate time or technical assistance to prepare for the important responsibility.

## CURRENT STATUS

All things considered, Vermont moved quickly to start a statewide federal program from scratch, particularly since traditional categorical funding procedures were used. Given the pretest nature of the project, however, more detailed planning might have been directed toward sorting out fiscal policy, budgeting, financial management and accounting.

It may be that much of the confusion over money stemed from a blurring of these very different though closely related functions.

*Chapter 6*

# Evaluation

In describing and evaluating the process and the significant factors which impacted on the planning for the Vermont Model FAP Child Care System, LICD considered the project's internal evaluation system one of the most critical factors to assess. This judgment was based on several premises.

First, evaluation is an integral,essential component of planning and action in any field of human endeavor; second, evaluation is absolutely indispensable in the planning and implementation of new, innovative or experimental programs; and third, the development of an evaluation system requires priority emphasis, effort and expertise throughout the life of a program--especially an experimental pretest such as the Vermont FAP Child Care System.

These premises proceed from a working definition of evaluation as a management tool which gathers data regarding process and product of a program in order to affect decision-making. In other words, evaluation attempts to measure how efficiently and effectively an organizational system moves toward its end results and how well it actually does accomplish those results.

Considering the state of the art of evaluation, particularly in relation to social action programs, the development of an effective evaluation system is undeniably difficult. Yet, in the awareness of that difficulty lies the urgency for major attention to the task.

This chapter describes the internal evaluation of the Vermont FAP Child Care System in terms of what was expected and achieved during the planning process.

## EXPECTATIONS

The first and primary point of reference was the contract negotiated between DHLW and the State of Vermont on July 1, 1970. Among the four component reponsibilities assumed by the State of Vermont were the development of a model plan for day care under FAP and the expansion of day-care facilities throughout the State.

With respect to evaluation, the contract specifies that:

> The contractor shall develop internal evaluation procedures and conduct an ongoing evaluation of the demonstration project. In addition, it is understood that HEW will subsequently conduct an independent evaluation of the Vermont project through contract with an outside organization. Specification of the objectives of the day care demonstration, the design of the evaluation study and its relationship to evaluation of manpower and services demonstration will be developed by HEW, OEO and DOL. . . .

Under a section of the contract entitled Specific Child Care Planning Tasks, it is stated that, among other things, the contractor will be responsible for:

> . . . the design and evaluation of various child care payment systems and administrative procedures for their implementation . . .
> . . . the definition and evaluation of techniques for rapid resource development at the local level including the development of personnel to provide child care services.

Under the section of the contract entitled Specific Tasks To Be Performed in the Expansion of Child Care Services and Facilities Throughout the State, it is stated that the contractor will be responsible for:

> The development of internal evaluation procedures for assessing the effectiveness of the operating programs and the statewide staff itself.

Additional evaluation expectations were imposed by OEO in its agreement with HEW on June 18, 1970, which specified:

> Although the contractor will develop internal evaluation procedures and conduct an ongoing evaluation of the demonstration project it is understood that HEW will subsequently conduct an independent evaluation of the Vermont project through contract with another organization. Specification of the objective of the day care demonstrations, the design of the evaluation study and its relationship to evaluation of manpower and services demonstrations will be developed by HEW, OEO, and DOL.

Another source of evaluation expectations is found in the agreement between DHEW and LICD under which LICD became the "outside organization" selected to conduct an independent evaluation of the project. A key statement in that agreement is:

> Evaluation of quality of care provided will be the responsibility of the Vermont Task Force under the existing contract. The evaluation team (i.e., LICD) will work with the Vermont Task Force to define quality child care in terms of program characteristics and to prepare forms, questionnaires and personal visit schedules needed to assess quality in operating programs.

In short, in order to expect an outside contractor to provide technical assistance in the development of program quality indicators (a facet of evaluation), there is an expectation that the Vermont Task Force is developing such indicators.

Finally, in addition to contractual requirements regarding evaluation, LICD must include in its assessment of the planning process the assumptions discussed in the beginning of this chapter regarding the role of evaluation in any sound planning exercise, i.e., that evaluation is an integral essential component of planning which requires emphasis, effort and expertise in order to be effective.

## FINDINGS

In terms of the federal/state contract between DHEW and the State of Vermont, the words and references to evaluation specified in the contract boil down to one clear expectation: the development of internal evaluation procedures for the planning and operation of the FAP Child Care System. LICD's investigation of Vermont's internal evaluation system shows the following:

Mathematica, Inc. received a subcontract from the State of Vermont to assume major responsibility in the planning process, specifically in regard to the gathering of the data essential to planning. Volume VI of the Mathematica Report, Evaluation and Experimentation in Child Care, contains the Vermont Child Care Operations Plan as Chapter III. The report includes a chapter on "Measuring Quality in Child Care" which treats "The Context of Quality" and "Topics for Measurement." Another chapter is entitled "The Evaluation of Child Care Operations in Vermont," this addresses "General Considerations in Plans for Evaluation of Child Care," "Evaluating Child Care Services in Connection with Income Maintenance Programs," "Measures of Goals or Outputs of Child Care Programs," and "Objective Measures of Inputs in a Child Care Program."

The Vermont Operations Plan includes one reference to evaluation which states simply that the Planning Unit is responsible for evaluation.

### *Thiokol Chemical Corporation*

On November 1, 1970, the State OEO Day Care Operations Unit entered into a $50,000 contract with Thiokol Corporation for professional services relating to Facilities, Staff Training and Evaluation. Regarding evaluation, the contract specified the following:

> C. EVALUATION (Procedures)
>
> Development of an operational quality evaluation procedure that will assure efficient and effective program operation. These procedures will aid in the ongoing internal evaluation or quality control of day care programs at the operating level.

The Thiokol contract was completed in March of 1971 and their work apparently included some form of fulfillment of the specification regarding evaluation. Our attempts to obtain the product of their efforts have been unsuccessful since there seems to be only one copy of the document in the Vermont Child Care office and no desire to make additional copies. Correspondence in December 1970, from HEW to Vermont contained a significant comment on the Thiokol evaluation responsibilities.

> . . . The contract requires Thiokol to develop evaluation procedures for the day care operations unit. The Working Plan mentions discussion of "means of developing an on-going meaningful in-house evaluation system which will involve internal monitoring and control" with the State OEO day care operations staff. No further mention of this task is made in terms of (a) what the system is to measure (b) when it will be developed and (c) how or when SOEO staff will be trained to use it.

In order to complete its contractual responsibility to provide the State of Vermont with assistance in the development of program quality indicators, LICD attempted to identify the status of this evaluation responsibility in the state. At this point in time, there is a draft working document known as "Program Descriptions" which had been developed over the course of seven or eight months by a child care planner in the FAP Planning Office. The document is a fairly comprehensive delineation of necessary/desirable components of day care which includes an evaluatory scheme. According to its architect, planner Michael J. Wriston, it is missing two areas: price tags attached to the components and a system of weighting components and subcomponents in terms of their relative importance. Wriston saw three purposes to the document:

1. to act as a manual or guideline to day care boards, 4-C committees and others who don't really know or understand what day care is all about or what components it should include.

2. to coordinate the perspectives/jargon/approaches, etc. of day care evaluators, trainers and others into a unified frame of reference.

3. to identify clearly what components could/should be found in day care and to what extent they are not.

The draft of the Program Descriptions is dated July 28, 1971, when it was circulated for review and comment.

In response to our request for a copy of the Thiokol evaluation work, LICD received a letter from Mr. Wriston early in October regarding the status of the evaluatory schema in Vermont child care. He reported that, in terms of the "program descriptions" turning into a "full-fledged" evaluatory instrument, not much progress had been made. From a mailing to five Head Start directors, three OCD training specialists, the Director of OCD, the Director of Planning for the Agency of Human Services and the five consultants originally involved in the formulation of the "descriptions," Wriston received only one substantive critique. As he saw the situation then, ". . . a refinement of the descriptions is the 'best bet' at present considering the fact that the OCD and Thiokol evaluatory instruments are unsatisfactory."

At this point, we again asked to see a copy of the Thiokol work in order to analyze it and were told that

Thiokol had prepared the evaluation piece "in isolation" back in Arizona. They had brought one copy of the report to Montpelier and spent "about five minutes on it" during their final oral presentation. Tom Davis and Dan Holland received the book, which apparently was never used, even after it was found by Joan Babbott in a closet after she became OCD director.

Since we had not yet seen a copy of the work in time to assess it for this report, we requested a summary with comments and received the following information in a letter from Mike Wriston.

> The Thiokol evaluation instrument states that its purpose is to make possible the determination of: (1) the effectiveness of the day care center's management; (2) the impact of day care services on parents and communities; (3) the effectiveness of day care center staff; and (4) the progress of the child.
>
> To meet determination #1 they have a "Management Evaluation Form" which I found to be pretty good, and which was centered on identifying some management issues and demanding written specifications of policies, procedures, roles, responsibilities, etc.
>
> To meet determination # 2 they have a "Parent Interview Form" which I found interesting and useful in some ways (e.g., how do you like the day care your kids are getting? what changes have you noticed? complaints? suggestions?) but too subjective and limited to really begin to measure "the impact of day care services on parents and communities."
>
> To meet determination #3 they have a staff evaluation form, which uses a 1 to 5 scale (almost never, sometimes, often, frequently, always) to generally assess staff in terms of use of: creativity, inductive approach, reinforcement techniques, informal play, effective parent involvement and degree of cooperation. As above, I find this interesting and somewhat useful but--like "all" of the Thiokol material--its strength seems to be its systematic approach and

> its suggested problem-solving techniques; and its real weakness any substantive, comprehensive knowledge of child development.
>
> To meet determination #4, they have "item-pools" for 2-year-old's, 3-year-old's, 4-year-old's and 5-year-old's in each of three areas: Social Development, Mental Development, Physical Development. The item-pools consist of 10-20 colored index cards in each "area" for each age. For instance, one of the 4-year-old's Mental Development index cards reads: "Can count to ten." One of the 2-year-old's Physical Development index cards reads: "Turns pages one by one." One of the 3-year-old's Goal Development index cards reads: "Is cooperative." Again, the idea, the structure, the technique is good but the child development knowledge is spotty, not comprehensive (although quite good in places). Another related observation here is that the Social Development items seem to come down pretty hard on the side of conformity (as in good manners, obedience, etc.).
>
> Also to meet determination #4 they include a "Child Progress Assessment Form" on which the evaluator can write down the items (as above), evaluate performance (Acceptable, Partially Acceptable, Unacceptable) and suggest a Recommended Action.
>
> To footnote my plaintive cry above, this reporter cannot assess what sort of (child development) expertise Thiokol had to draw upon at home base but will comment that what we got in Vermont was pretty disappointing; which may help to explain why little or none of the Thiokol materials seems to take the Vermont experience or situation into account.

It is impossible for us to judge the value of Thiokol's work in evaluation procedures since we haven't seen the document. We know that it was judged "unsatisfactory" by many staff people at the state level. What is unclear, however, is when the judgment was made--at the same time it was

**submitted? At the time LICD asked for the document?** If it was made at time it was submitted, what is the responsibility of the contractor in seeing to a proper and satisfactory fulfillment of the terms of a contract?

Mr. Wriston repeatedly referred to his "Program Descriptions" as a draft working document and obviously made efforts to move it beyond that status by soliciting the help of others in the field. It seems unfortunate that such help wasn't forthcoming because the document has serious problems aside from the absence of cost and weighting factors.

First of all, we do not believe that the same document can serve all of the purposes outlined for it. Guidelines for setting up new day care and guidelines for currently running day-care operations cannot be usefully combined in one evaluatory instrument. As a guidelines document, it seems adequate and possibly overdone in the comprehensiveness of its considerations. However, while standards are provided in specific terms for some considerations (e.g., amount of space necessary for various activities) the document on the whole suffers from lack of specificity or standard setting by using vague and unmeasurable terms, (e.g., in regard to equipment, "is there enough?").

As an evaluatory instrument it is deficient since the scale which is used (provisional, acceptable, satisfactory, commendable) is not clear. For example, what is the distinction between acceptable and satisfactory? What are the criteria for the application of each item on the scale? In addition, the scales don't always apply to the descriptions of items to be considered. For example, under the heading of Safety, the item "Fire Marshall" is followed by the rating scale. Is the evaluator being asked to rate the fire marshal, his work or his findings?

As the only piece of work in-hand regarding program quality indicators, the document has promise. However, it needs more developmental expertise to be made useful. Before that happens, however, a decision must be made about the document's potential and authority must be exercised to place responsibility and accountability for internal evaluation upon the shoulders of a few more people besides hard-working Mike Wriston.

### *Mathematica, Inc.*

If the Vermont staff was relying upon Mathematica, Inc., to provide guidance in developing an evaluation system, the product of their work shows such faith to be completely misplaced or miscalculated. In addressing itself to "Measuring Quality in Child Care" and to "The Evaluation of Child Care Operations in Vermont," Mathematica does a much better job of stating the problems involved in evaluation than it does in suggesting any methods of dealing with those problems. The entire discussion of evaluation is devoted to general principles and of what we call well-known things to look at, measure, monitor or record in an evaluation system. There are no specific how-to's offered. The following excerpts from the report are illustrative:

> The discussion of goals of child care programs can be usefully divided into the four types of benefactors from the program: the children served, the parents of the children, the personnel hired to staff the program, and the community as a whole. No attempt will be made to place any dollar figure on the measures of benefits. The first task is to measure the benefits directly in their own terms, and this task is hard enough.
>
> A. Children
>
> The main direct beneficiaries of child care programs should be the children themselves. We should hope that they might develop physically, mentally and socially, and, not the least of objectives, that they should enjoy themselves. It should be noted, however, that not all of these benefits are easily measured and that some of the benefits (for example, health benefits, such as nutrition) will not necessarily show up in a short period of time as may be involved in the evaluation. Other benefits, such as some measures of cognitive improvement may show up in a short period of time but may also be subject to a "fade-out" over a long duration.
>
> There is a considerable body of material on tests for cognitive, psychological, and social development of young children in settings such as Head Start programs. Not all of these tests have been validated, and not all would apply to the child care programs operating in Vermont. Nevertheless, a small investment in a search of the existing test instruments should prove fruitful for getting

> a grasp on evaluating this important objective. . . .
>
> There is a standard set of questionnaires that attempt to measure the parent's views of their children's reaction and responses to the program. The children can be asked variations of the questions on whether they like the program, what they like about the program, dislike, etc.
>
> Finally, some careful interpretation of behavioral response to the program (absenteeism, drop-outs, disruptions, illnesses, and so on) may yield useful indicators that, at minimum, may serve as guides or checks on other measures . . .
>
> In most or all cases of testing or other measuring efforts, there are three types of comparisons that may be made: before and after measures, measures among child care programs and measures between child care programs and situations in which there is no program. As in all types of evaluation discussed in this section, the purpose will be to relate the measures of performance to measures of program input (or to the different types of programs.) The questions posed are: do the programs have any effect on these types of performance objectives? What types of program variations affect what types of performance and for what type of child?

## CURRENT STATUS

In a report to HEW on January 22, 1971, the Vermont Planning Staff described internal evaluation procedures as consisting of formal written reports and oral briefings to HEW, and weekly staff coordination and review sessions. There is also a reference to Operations Staff and Thiokol "materials." Nevertheless, we found no evidence of a planned internal evaluation system in any stage of development.

The Vermont Model FAP Child Care Project was 16 months old in October, 1971. As of August, 1971, there were 424 FAP children enrolled in day care. As of October, 1971, there were 27 staff people at the state level directly involved in the planning and operation of the project, and approximately 45 federal staff from 10 agencies and interagency committees directly involved in the project. We found the multiplicity of perceptions regarding the progress of the Vermont Model sometimes conflicting, often developed from a limited vantage point of vested interest, and almost always based on "available" information collected randomly.

From our investigation and review of contracts, agreements, memoranda, correspondence, working documents, and (public and personal) files, it is evident that much of the data which ought to contribute to evaluation of the project probably exists, albeit scattered and incomplete. It seems clear that the systematic internal evaluation process required for decision-making relative to the child care component and to the development of national policy got lost somewhere between the cracks which have afflicted the project and are discussed elsewhere in this report: e.g., organizational structure of the project; time pressures; conflicts in relationships between planning and operating units; the nature of federal monitoring, etc.

Thus, we found that evaluation, despite the pretest nature of the project, suffered "benign neglect" in the development of an innovative and experimental program with serious national implications.

This LICD contract to evaluate the Vermont Model FAP Child Care System is a legitimate part of the overall need to evaluate significant programs but it should be complementary and supplementary to an internal evaluation system. We do not believe that it is enough for the federal government to charge a contractor with responsibility for the development of internal evaluation procedures by simply adding the word "evaluate" everytime the words "design" and "develop" are used in specifying tasks to be accomplished. The significance of the process is lost in the "a,b,c" jargon (love, honor and obey; shake, rattle and roll; snap, crackle and pop; design, develop and evaluate!) Considering the undeveloped state of the art of evaluation and the scarcity of "know-how" in the field, it would be wise for anyone requesting internal evaluation of a project to provide more specific and perhaps even more modest expectations of evaluation and then, to negotiate an agreed-upon set of criteria which would spell out progress by objectives. Whatever expectations and criteria are finally developed must then become check-points, conditions or hurdles built into the monitoring process at regular and significant intervals.

If the evaluation data to support a decision about to be made is missing or if the plan for gathering data about the effects of that decision is not specified: STOP and do it! should be the attitude of any program manager, monitor, or overseer. Until such "hard-nosed" approaches are taken which signify a commitment rather than a tribute to the notion of evaluation, the engineers of social action programs will continue to be protected from the discipline and accountability long overdue in programs which affect the lives and well-being of people. A natural concomitant of spiritual commitment to evaluation is the material allocation of money and talent in proportion to the expectations of evaluation. For without an accurate assessment of program effectiveness, there can be no valid program decisions.

*Figure 2*

## Planning Chronology Chart

The planning chronology chart that follows includes events, activities and decisions which appeared to influence, directly or indirectly, the Vermont FAP child care pretest. The chart was developed to answer some of the questions asked repeatedly during our investigation of the planning process.

## THE PLANNING CHRONOLOGY

| 1966 | Federal Level | State Level | Local Level |
|---|---|---|---|
|  |  | Tom Davis discusses Vermont Child Care with OEO and HEW |  |
| 1966-1967 |  |  |  |
|  |  | Vermont passes law requiring licensing of Day Care (effective July 1, 1967)<br>Vermont Department of Social Welfare begins to license Head Start |  |
| 1968 |  |  |  |
| February |  | Hunger USA identifies a county poverty pocket in the Northeast Kingdom (pub. date, April; CBS TV show in May) |  |
|  | Jules Sugarman and Preston Bruce conceive 4-C |  |  |
| March | Federal Interagency Day Care Requirements issued | $25,000 industry donation for Rutland Child Care given, instead, to Rutland Hospital when OEO refuses to match donation |  |
| July/August | Income Maintenance ideas tested by OEO in New Jersey and in North Carolina | Decision regarding $24 fee made by Philbrook, Wackerman, Holland, and Wisher |  |
| Fall | Worth Bateman with Jim Lyday invents FAP at HEW |  |  |
| September |  | Carcagno begins development of State Negative Income Tax Plan |  |
| November |  | Governor Deane C. Davis elected to first term |  |

| 1969 | Federal Level | State Level | Local Level |
|---|---|---|---|
| January | Lyday and Carcagno suggest statewide Negative Income Tax pretest | Governor Davis takes office | |
| February | FAP proposed in HEW | | |
| March | OEO approves grant to Carcagno for data processing for paper on "An Income Supplement Plan for Vermont" | Carcagno completes Negative Income Tax statewide feasibility study under OEO grant | Bennington County Early Childhood Development Center opens |
| | OMB (formerly BOB) wants Rivlin's office to do testing. Laird and Bateman convince White House and OMB to try it | | |
| April | HEW-Office of Child Development established by Secretary Finch | Vermont receives New England Regional Commission grant for Carcagno to refine statewide negative income tax plan | |
| June | FAP statewide income maintenance test developed by Allen and Carcagno | Preston Bruce tells Dan Holland and Tom Davis about potential in Title IV-A and 4-C programs | |
| July | Joe Corbett becomes HEW-FAP Project Officer, begins to put together pretest | Governor Davis appoints State Ad Hoc 4-C Committee | Holland applies to Title IV-A for Bennington County Early Childhood |
| | | State Commissioner of Social Welfare asks single state agency waiver ruling from HEW regarding use of IV-A monies in Bennington/Manchester | |
| | | Vermont decides to subcontract day care centers | |
| August | President Nixon broadcasts "expanded day care" policy | Governor Davis agrees to assume responsibility for use of IV-A funds to expedite process | Bennington decides to close for lack of money |
| | Ribicoff amendment calls for a two state pretest | Vermont switches from Negative Income test to FAP plan | |

| 1969 | Federal Level | State Level | Local Level |
|---|---|---|---|
| Fall | FAP legislation passes House | | |
| | Decision to test Child Care/multiple funding | Tom Davis brings Holland to SOEO in Montpelier | |
| | Finch sends memo to Governor Davis saying: FAP pretest strategy approved | | |
| September | | Governor appoints Statewide 4-C Committee headed by Dan Holland | Bennington and Manchester receive first IV-A Grant |
| | | State 4-C Executive Committee begins weekly meetings to write plan | |
| October | | Holland, Wisher and Remmick actively promote 4-C development and use of IV-A monies at community meetings | |
| November | OMB asks OEO to push Day Care. HEW-OEO-HUD-DOL task force develops a FAP plan | | |
| December | Final decision regarding Vermont pretest shifted to White House | | |
| | Jodie Allen writes memo relating FAP Child Care to Income Maintenance | | |

| 1970 | Federal Level | State Level | Local Level |
|---|---|---|---|
| January | H.R. 16311 (old FAP bill) fails to pass Congress<br>Washington decides not to test FAP income maintenance component | | |
| February | | State 4-C Plan completed | |
| March | Montgomery asks Gorham and Bateman at Urban Institute to do FAP pretest. They decline. | State Ad Hoc Committee dissolved when State 4-C is established by Executive Order | |
| April | Allen decides to use Mathematica | Carcagno and Futrell write FAP proposal<br>Regional 4-Cs begin to organize<br>Federal Regional Committee officially recognizes Vermont 4-C, first of 50 states | |
| May | OEO adds requirements for documentation and reports to HEW/OEO Agreement and requests HEW Commitment regarding community action agency participation<br>HEW-Fry contract for FAP system has no child care component<br>$1.304 million transferred from OEO to HEW for Vermont FAP pretest of day care services | State legislature approves FAP pretest in Vermont | |
| June | White House cools on the pretest<br>Social services component written in Washington with almost no state input until late June<br>SSA opposed to pretest<br>Vocational Rehabilitation adds $150,000<br>Montgomery eliminates Income Maintenance component, but approves the others | FAP pretest contract with HEW signed by Governor Davis<br>Planning for FAP Child Care pretest done by Carcagno, Futrell, Holland and Calderera<br>Holland becomes Deputy Director of SOEO and all statewide day care | |

| 1970 | Federal Level | State Level | Local Level |
|---|---|---|---|
| July | Separation of Operations from Planning becomes an issue | FAP proposal drafted in SOEO results in contract amounting to $1,809,330 | DOL funds E&D project in Bennington-Morrisville area |
| | HEW puts Operational Planning System (OPS) into regional and headquarters offices under Tom S. McFee | FAP Planning Unit staff established under State Department of Social Welfare | |
| | | Carcagno becomes FAP Planning Director. Futrell becomes Child Care Planning Coordinator | |
| | | Legislation appropriating $125,000 for the purchase of child care services becomes Legislative Act 296 (signed by Governor on last day of session) | |
| | | Futrell, Allen, Kershaw and Corbett develop child care questions for Mathematica Baseline Survey | |
| August | | Private kindergartens and nursery schools now require licensing | |
| September | | Advisory Board on Day Care (for Commissioner of Social Welfare) dissolved | |
| | | Stauffer and Wriston join FAP Planning staff | |
| 1 | | Gerhart appointed Chief Licenser | |
| | | Day Care licensing transferred from Social Welfare to SOEO. Head Start licensing begins | |
| 14 | | Baseline survey conducted by Mathematica | IV-A Contract--Franklyn County Community Action Panel, Inc. |
| October | Lou Houff, DOL, strongly criticizes Vermont operation | Day Care Unit under Holland fully staffed, begins to service regional 4-C committees | |
| | Vermont Child Care Operations Plan submitted to HEW | Day Care Licensing staff (5 licensers and Gerhart) operational | |
| | | $24 FAP fee okayed | |

| 1970 | Federal Level | State Level | Local Level |
|---|---|---|---|
| October (cont'd) |  | Referral system proposed, written by Cashman, Stauffer, Futrell, Calderera and Skinger |  |
| 15 |  | FAP Child Care Plan submitted to HEW |  |
| October/ November |  |  | IV-A Contract--Bristol Early Childhood Education Corporation |
| November | Federal workshops held to develop evaluation plan for FAP pretest | November deadline for "milestone tasks" not met |  |
|  |  | Vocational Rehabilitation component starts |  |
|  |  | Manpower component opens door (work started 4/71) |  |
|  |  | Day Care operations delayed while operations plan being reviewed in Washington |  |
|  |  | Mathematica baseline survey information for day care operations not available as expected |  |
| November/ December |  | Thiokol contract with Vermont signed | Small grant to Randolph 4-C approved by HEW (to meet crisis) prior to Operations Plan approval |
| December | Ron Grenier becomes HEW-FAP Project Officer |  | Chittendon County 4-C established |
| 12 | Final report issued regarding 4-C program by Day Care and Child Development Council of America |  |  |
| 27 |  | First comments on Child Care Operations Plan received from Washington, D. C. |  |
|  |  |  | E&D Project Training session on referral systems - Chittendon County |

| 1971 | Federal Level | State Level | Local Level |
|---|---|---|---|
| January | John Montgomery slows federal officials frequent travels to Vermont | Governor Davis begins second term<br>Planning begins for University of Vermont Model Day Care Center<br>Mathematica and FAP staff complete Volume IV<br>Mathematica provides FAP Planning Staff with baseline data | |
| 1 | Mary Jane Cronin becomes Project Director of HEW-FAP Child Care | 104 licensed day care facilities statewide<br>Cowles takes office as Secretary of Agency of Human Services | E&D Day Care becomes operational in Burlington and Morrisville |
| 11 | | HEW-OEO briefing in Washington by Futrell, Holland and Tom Davis regarding the Operations Plan | |
| 22 | H.R. 1 Welfare **Reform** Bill (replaces FAP)<br>Social Security Amendments of 1971, Title IV-A, section 212, requires that Child Care be provided for those who need it to accept work or training. Part B, section 2133, requires that it be provided for those in vocational rehabilitation programs who need it. Section 2134 requires that standards be set for child care services in this bill | | |
| | | Central Licensing Index set up | |
| February | | | |
| 1 | | | Direct Grant Contract--Randolph Community Action Group<br>IV-A Planning Contract--Rutland Area 4-C |
| 29 | | | **Rutland** 4-C receives $110,000 (of total $275,000 grant) to test a "direct grant" concept |

| 1971 | Federal Level | State Level | Local Level |
|---|---|---|---|
| March | Lou Houff helps clarify Carcagno's role in second visit to Vermont<br>Cowles appoints Lyle Stookey Child Care Coordinator of Operation/Planning staffs<br>Mary Jane Cronin sends "decision submittals" to John Montgomery<br>Federal Interagency Day Care Requirements in revision | Mathematica and FAP staff complete Volumes V and VI<br>Thiokol contract completed<br>Presentation to State Legislature regarding FAP and Title IV Day Care<br>Joint development of day care services plan by FAP Planning Staff and Day Care Unit | Rutland 4-C "direct grant" becomes effective<br>IV-A Contract--Central Vermont 4-C<br>IV-A Planning Contract--Northeast Kingdom 4-C<br>FAP Contract--Windham County 4-C |
| Spring '71 | H.R. 6004 Title I of Rehabilitation Employment Assistance and Child Care Act of 1971, provides for child care for those who need it in order to be self-supporting. Title XX calls for establishment of Federal Child Care Corp., with responsibility and authority to meet nation's child care needs<br>Bruce overrules a regional decision in Windsor, and tension results | Vermont FAP Child Care becomes operational | |
| April | Day Care Council T. A. 4-C contract ends<br>Child Care Operations Plan approved verbally by HEW<br>1115 regional reports not being sent to Washington<br>Washington approves $24 FAP Child Care rate<br>FAP fee schedule reviewed by Granato, Corbett, Seigel, and Allen<br>H.R. 7249, Title I of Family Assistance and Financial Sharing Act of 1971 requires child care services be provided for those who need it to accept training for employment or employment | Vermont receives "decision submittals" from HEW, and verbal approval of the operations plan<br>Survey of FAP and IV-A day care facilities | IV-A Contract--Bennington County Early Child Development<br>FAP Contract--Northeast Kingdom 4-C<br>IV-A--Northeast Kingdom 4-C<br>IV-A Contract--Randolph Community Action Group, Inc.<br>IV-A Contract--Rutland Area 4-C<br>IV-A Contract--Northfield Area Child Development Association,Inc.<br>Seed Grant Contract--Windham County 4-C |

| 1971 | Federal Level | State Level | Local Level |
|---|---|---|---|
| May |  | Social services component starts (7 mos. late) | IV-A Planning Contract--Chittendon County 4-C |
|  |  | FAP Planning staff conducts regional financial and management services seminar | Chittendon County 4-C hires a half-time Executive Director |
| 16-22 |  | Thiokol provides 10 day training seminar and manual |  |
|  |  | Governor Davis by Executive Order proclaims "Week of the Child" |  |
| June | Child Care refunding becomes controversial | Holland recommends to Governor Davis that he be replaced as State 4-C Director by someone other than a state employee |  |
|  | HEW and DOL approve refunding of FAP pretest components, effective July 1 |  |  |
| July | Mary Jane Cronin replaces Grenier as HEW-FAP Project Director |  |  |
|  | DOL expands statewide |  |  |
|  | Welfare Reform Policy Committee includes DOL-OFP and HEW-FAP | Tom Davis resigns as SOEO Director, charging FAP is "not for child development" |  |
|  | LICD begins evaluation of the FAP pretest child care component under an OCD/HEW grant | Dan Holland becomes SOEO Acting Director |  |
|  | Zigler appoints Task Force to study the feasibility of Child Development Councils in each state and selected localities |  |  |
|  | Sam Granato is appointed Child Care Program Manager for Vermont pretest |  |  |
| 1 | S. 2007, 1971 Amendments to Title IV of EOA provide $2,100,000 for programs promoting the physical, educational, and social welfare of needy children, and to train personnel |  | IV-A Contract--Lamoille County 4-C |
|  |  |  | FAP Contract--Lamoille County 4-C |
|  |  |  | FAP Contract--Windsor County 4-C |
| July | Diffused responsibility still scattered throughout HEW(OCD,SRS) |  |  |

| 1971 | Federal Level | State Level | Local Level |
|---|---|---|---|
| July (cont'd) | and DOL. FAP staffs now called Welfare Reform Staff | | |
| August | | Futrell rewrites UVM proposal to meet HEW specifications | Green Acres public housing day care opens in Barre |
| | LICD pilot site visits begin<br>Fred Green becomes Director of Children's Bureau OCD/HEW | Cowles establishes Office of Child Development, appoints Dr. Joan Babbott, director, and transfers all child care operations from SOEO to the new OCD | |
| | | Operational procedures defined at joint meeting of state, regional and local staff | |
| | | Head Start Directors trained by Day Care Operations staff | |
| | | Extensive follow-on survey of FAP and IV-A facilities | |
| | | Day Care License function transferred to new State OCD | |
| | | New licensing process approved by Attorney General | |
| | | "Interim guidelines and operational procedures" issued by SOCD | |
| September | Boston regional OEO becomes more involved with Vermont pretest | | Burlington and East Montpelier high schools open FAP day care programs |
| | OEO reorganization puts day care operations under Tom Coyle | | |
| 9 | S. 2007--EOA Amendments (formerly Mondale S. 1512) passes Senate | | |
| 30 | H.R. 10351 EOA Amendments (formerly Brademas H.R. 6748) passes House | | |
| October | Federal Interagency Day Care Requirements revised and submitted to Federal Panel on Early Childhood for approval | UVM advances money to open model center and hires director while proposal is pending | |
| | Senate defers floor fight on H.R. 1 until January, 1972 | | Nine regional 4-C Directors and Board Chairman hold first of regular monthly meetings |

# Volume II

## The Operating System

# Volume II

# The Operating System

## Introduction

The Vermont Model FAP child care service system was expected to become a preliminary state implementation model when the Family Assistance Plan became law. In conception, it was to implement a model FAP child care plan. However, as described at length in Chapter 1 of Volume II, Vermont's Operations Plan was not a work plan for a service delivery system except as it specified FAP eligibility requirements and financial controls. The Plan seemed to assume that, having made money available within boundaries and constraints, supply and demand factors would permit a delivery system to "happen." Nevertheless, when the FAP pretest brought statewide money and attention to Vermont's day care needs, FAP resources became the basis for organizing and operating a statewide day care system which generated new needs for policy and procedure in order to function.

Vermont field data was obtained from personal interviews with thirty one state employees, thirteen 4-C leaders, fifty two day care site operators, fifty five day care site staff, twenty one members at site governing boards and eighty eight parents. All eight 4-C organizations and a stratified sample of fifty day care sites were surveyed and all of the two hundred sixty persons interviewed were directly involved in statewide day care operations. All findings have been correlated and appear with conclusions and recommendations in the Executive Summary.

The chapters which follow were organized around the major elements of the service delivery system. Chapter 1, The Operations Plan: A Critique, analyses the basic planning document as an instrument for administrative implementation. Chapter 2, People, describes who they were, what they did and how they interacted as the most important element of the system. Chapter 3, Money, provides a summary and analysis of the pretest's findings re fiscal management. Chapter 4, Controls, presents a detailed description of all of the system's requirements and regulations, compliance procedures and consequences. These included the Federal Interagency Day Care Requirements, the state's licensing system and FAP pretest requirements. Chapter 5, Community Coordinated Child Care (4-C), describes the original 4-C concept and how it was enlarged to accommodate the use of Area 4-C Committees as the state's local administrative mechanism. Chapter 6, Supportive Resources, assesses the utilization of three ancillary services, health, transportation and food and the extent to which day care-related community organizations or programs were involved in the FAP day care operating system. Chapter 7, Information, analytically describes the strengths and weaknesses of Vermont's information processes and the impact of this important element on the total system. Chapter 8, Decisions, describes and evaluates the system's decision-making processes and the extent to which various levels of the system were involved in decisions.

# Chapter 1

# The Operations Plan: A Critique

## Chapter 1

## The Operations Plan: A Critique.

### A. Summary of Findings

The Vermont FAP day care pretest included the development of an operational plan to serve as the blueprint for the delivery of statewide FAP day care services. Implicit in the HEW-Vermont contract was the expectation that such a plan, once tested and de-bugged, could become a model state plan under national FAP policy.

Written by the Vermont FAP Planning staff, with some input and assistance from Mathematica staff, the Operations Plan became Chapter 3 in Volume VI of the Mathematica Report. 1/

After Vermont submitted its first draft Plan to HEW in October, 1970, meetings were held and a series of memoranda between Washington and Vermont FAP staff were exchanged. These documents contain the written dialogue which shaped the content of the Operations Plan. It seems evident, then, that the Plan was carefully and cooperatively constructed by federal and state FAP planners since it includes verbatim statements from Washington FAP staff and sets forth the agreement on criteria and systems for FAP day care eligibility, referral, fees and payments. Although there was no formal written approval of the Operations Plan as required in the HEW-Vermont contract, numerous memoranda from HEW appear to reflect acceptance of it as a proposal.

The Plan's introductory remarks state that it presents "purposes and basis for preliminary rules and regulations". The reader indeed comes away identifying it as a proposal for an operations plan rather than a system to implement operations for day care services. The ambiguity in terms and writing style is confusing to a reader who expects an "operational plan" to set forth general and specific criteria, directives and procedures for actual "operations".

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1/ FAP Planning Papers, Chapter 3, The Operations Plan, Volume VI, Vermont FAP Planning Unit and Mathematica, Inc. March, 1971

The final paragraph on page 78 confirms the misnomer of this chapter as an "Operations Plan." Clearly, the writers are addressing a Washington DHEW proposal reviewer: "...policies [are] herein established [from which] detailed operational guidelines based on this Plan will be issued to local 4-C committees, and [to] all child care agencies and individuals interested in participating in a FAP child care program." The Plan would more accurately have been titled: "Draft for Proposed Policies for Establishing Operational Guidelines." Its most effective use, then, could have been as an outline from which a detailed system could have been developed. This system's output might then have correctly been titled "detailed operational guidelines." It might then have satisfied the final objective, as stated: "circulation to individuals interested in participating in a FAP Child Care Program."

In its present form, the Plan could be titled "Operational recommendations for determining eligibility, referral and placement methods, and fee/cost systems of FAP child day care services." This would more accurately identify its boundaries. As the Operations Plan appears now, it would be extremely difficult for someone to determine how and under what conditions a program would operate once families are declared eligible, referrals completed, and children placed in a structure housing a day care program.

There were three criteria considered in evaluating the viability of the Vermont Operations Plan:

1. To what extent does it express a systematic process for organizing and operating FAP day care service programs on a statewide basis?

2. To what extent does it reflect compliance with Federal Inter-agency Day Care Requirements pursuant to Sec. 522 (d) EOA, 1968?

3. To what extent does it reflect compliance with the contractual agreement between DHEW and the State of Vermont to develop an Operations Plan?

Each of these criteria will be examined in turn.

### 1. Provision of a Systems Design for Statewide Day Care Service

The Operations Plan is the federally approved document containing policies and procedures for delivering statewide FAP day care services in Vermont. As such, the plan should contain a delivery system reflecting federal, state and local policies, procedures and regulations and should be structured to meet special FAP needs unique to the state. It should also provide flexibility through information and evaluation systems so that on-going change can be made in terms of both immediate and long-range decisions.

In its report on the planning process, we identified four components of a planning design which apply equally well to both planning and operations:

(a) Clearly stated and agreed upon expectations (outputs).

(b) Systems to obtain, select, store and use data for decision-making.

(c) Systems for the development and implementation of FAP policies, and procedures to ensure
  1. methodical programming
  2. criteria agreed upon for decisions
  3. an appropriate administrative framework to accomplish FAP goals.

(d) A comprehensive decision-making system which integrates planning, operations (organization and management) and evaluation (program effectiveness assessment) as interdependent organizational elements, rather than separating them into sequentially discrete activities. 1/

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1/ See p. 21.

First, our evaluation has been somewhat hampered by the manner in which the Operations Plan is presented. We are by no means assessing literary or editorial skills but the usability of information in any plan can be measured only by the extent to which the reader can follow a logical series of thoughts and put them into action. In this respect, the Operations Plan does not develop a tight, well-organized prescriptive ordering of events, covering the sequence from a decision to implement a day care program through to actual delivery. The authors ramble, and the reader is not aided by a format that presents topical transitions. There are no typed headings, as one would expect in a formal planning design. There is, however, a spotty (ie.inconsistent) attempt made to be systematic

(a) in presenting the justification (and assumptions) for each operational category;

(b) in defining what is to be done;

(c) in defining how to carry out recommended actions;

(d) in indicating intent to gather baseline ("benchmark") data for later evaluation; and

(e) in defining terms (e.g., "necessary," "appropriate") referring to certain conditions.

However, if the purpose of an operations plan is its potential for implementation, there are a number of difficulties which a 4-C member, day care operator, or other reader would have in translating the Plan into action. One of the basic problems is that there is no clear-cut nomination of who is responsible for what program component(s) to assure that the parts of the plan will function, either separately or as a total service unit. This is aggravated by inconsistency: for example, in defining the level and type of responsibility an agency may have for managing part(s) of the Operations Plan. In addition, there is the already noted difficulty in identifying who will be its user (reader). Is it a Day Care Operator, the OCD, FAP Planning and/or the Operations Staff or DHEW? One comes away feeling that the reader is reviewing a grant proposal, not a manual on how to put a day care system into operation.

The wrap-up paragraph in the Operations Plan supports the observation that we are not dealing with a document which established a system for use in developing and operating a day care center, but rather with a proposal from which guidelines can be generated:

> It is expected that following DHEW comments and agreements as to the policies herein established, detailed operational guidelines based on this Plan will be issued to local 4-C committees and all child care agencies and individuals interested in participating in the FAP Child Care Program.[1]

Introductory remarks state that the Plan includes "...issues and [the] alternatives which can be varied within Vermont without serious community or political ramifications...[2] "Yet the attention given to these factors in the Operations Plan are limited to suggesting alternative child care delivery system options. Throughout the Plan there appears to be an unstated, underlying assumption that criteria on eligibility, referral, placement, fees and payment will somehow assure that the right pieces will come together in support of quality child care objectives with an appropriate system to meet them.

The Plan does cover in considerable detail methods for determining FAP eligibility, referral and placement of eligible children, and how to establish fees and cut-offs. It does not tell how to

(a) organize, administer and operate daily activities,

(b) organize and implement staffing patterns (other than recommended staff child ratio),

(c) conduct community involvement and parent participation activities,

(d) develop and utilize an information system,

(e) develop and utilize necessary support services,

(f) monitor and evaluate program quality,

Throughout, operational details primarily focus on referral, eligibility and fee systems with little or no attention to the content or the nature of day care services.

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1/ Op. Cit., Chapter 3, p. 78

2/ Ibid, p. 23

The specific recommendations in the Operations Plan (on staff-child ratios, budget, etc.) are not supported by any bibliographic or other documented materials. There is, however, an elaborate description of how to determine fees, with justification for outcome statements. Effectiveness, as presented, is measured in quantitative terms: dollars and numbers representing people and places. Here too, back-up sources to support statements are absent.

Appendix B of the Operations Plan concerns the E & D Burlington-Morrisville Project, included as an example of a workable scheme for localities where there are specific support agencies. Items covered in this E & D Project are referrals, eligibility, placements and withdrawals. It is the best systematic presentation in the entire Operations Plan, and it illustrates the greatest deficiencies of the plan: No specifics on how to make the pieces work--i.e., how to achieve inter-agency support and what happens when children enter the door.

An overall impression of ambiguity pervades the Plan because of reader uncertainty as to what the Plan is supposed to accomplish. If its objective is "to present alternative ideas," there are many interesting recommendations in "Child Care Delivery System Options". Indeed, several of the alternatives have materialized (e.g., p. 76, enrichment center, University of Vermont); and others considered and rejected (e.g., voucher payment systems, p. 76). However, if the objective is to identify methods for use and evaluation of an operational system to deliver FAP child care, it falls short.

The ambiguity is also fostered, as already noted, by the Plan's title and introductory remarks in contrast to its concluding paragraphs. In addition the reader is consistently presented with conflicting directions: "this will be...this could be." Yet, the child care operations Plan was designated to be the blueprint of the Vermont Model FAP Child Care Service System. It was also intended to serve as a state model for national implementation of FAP. To test its validity, the pretest was structured over a 12-18 month operating period for "de-bugging"and evaluation in the context of national policy. The Operations Plan does not appear to meet these goals.

### 2. Compliance with Federal Interagency Day Care Requirements

Day care programs which receive federal funding are required to comply with the Federal Interagency Day Care Requirements.1/ The Vermont Operations Plan does not provide a system to meet the requirements imposed in the FIADCR nor is there an attempt to relate the Plan to similarities or differences between it and FIDCR.

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1/ Federal Interagency Day Care Requirements, pursuant to Sec. 522 (d) of the Economic Opportunity Act, as approved September 23, 1968 by DHEW/OEO/DOL.

By way of illustration, we have reproduced, side by side, the table of contents of each document for comparison and contrast.[1]

The major areas in which one may correlate the Plan's degree of compliance with FIADCR are administrative-management as they relate to referrals, eligibility and standards. There is no indication in the Plan of the extent to which it complies with or differs from FIADCR.

The Plan also lacks specificity in stating requirements. In general, it provides little or no guidance to assess whether and to what extent a program is complying with federal, state or local regulations. The Operations Plan does follow the FIADCR to the extent that its facilities are typed to match the federal regulations. The Plan is also highly specific as to child/adult ratios. However, its recommendation for determining base rates for a child day care center in Vermont is figured on 22-27 children with a staff/child ratio of 1:6 (p. 55-56). An adjustment formula is also presented. These figures differ slightly from those recommended in FIADCR (p. 6-7) but the Operations Plan presents no rationale for the difference. Note is made that FAP licensing regulations will probably supersede "other existing regulations" but until further notice Vermont regulations are to be applied to day care service operations. (p. 50)

The Operations Plan refers to "protective in-home care" as not subject to licensing. No such facility is named in the FIADCR which included only three types of facilities, family day care home, group day care home and day care center, all of which must be licensed or "...meet the standards of licensing applicable in the state". [2]

The Requirements specify that the state must assure that acceptable standards be developed. The Operational Plan specifies that attempts will be made to develop ancillary services for the unlicensed "protective in-home care" facilities (e.g., health, nutrition, transportation), but no system to meet this goal is defined. The Plan contains no specifics regarding environmental standards nor educational services as required in the FIADCR.[3] The Vermont Operational Plan, however, does come close to meeting FIADCR requirements for social services as they relate to eligibility, referral, placement and counseling. However, the Operational Plan format does not provide a systematic way for identifying and working with and through such services (i.e., people, places, things). Ancillary services to be developed in Vermont are named in the

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[1] Figure 3, p. 169.

[2] Op. Cit., pp. 11, 15

[3] Op. Cit.,pp. 7, 9.

Figure 3

Comparison of Tables of Contents:
FIADCR and Operations Plan

**Federal Interagency Day Care Requirements**

**Table of Contents:**

Preface

Definitions

Introduction

Comprehensive and Coordinated Services

- I. Day Care Facilities
- II. Environmental Standards
- III. Educational Services
- IV. Social Services
- V. Health and Nutrition Services
- VI. Training of Staff
- VII. Parent Involvement
- VIII. Administration and Coordination
- IX. Evaluation

**Vermont Operations Plan**

**Table of Contents:**

- Purpose and Basis for Preliminary Rules and Regulations
- Eligibility for Services
  - Categories of Families
  - Conditions of Eligibility
  - Periods of Eligibility
- Exclusion of Child Care Costs from Income
- Fee Charges for Child Care Services
  - Child Care Fees
  - Policies
  - Instructions
  - Fee Schedule
  - Tables
- Payments for Child Care Services
  - Purchase of Services
  - Start-Up Grants
  - Seed Grants
- Types of Child Care Services Provided
- Costs of Child Care Services
  - FAP Child Care
  - Rate Structure
- Child Care Delivery System Options
- Appendix A--Excerpts--Proposed FAP Child Care Regulations
- Appendix B--Child Care Operations
- Burlington-Morrisville Experimental Demonstration Project

Plan, but the system for provision is undetailed. On the other hand, FIADCR states, for example, the process for health and nutritional services and parent involvement.[1]

Administration and coordination in the Vermont Operational Plan are joint functions of the State 4-C, FAP Planning and Operations Staff. The specificity in FIADCR is not met in the Vermont Plan, except for identifying situations under which grievances may be heard by the 4-C committees.

It may be that the designers of the Vermont pretest intended to append FIADCR with the Operations Plan to cover specific issues or to clarify deviations in Vermont. They may have assumed that day care program operators and administering agencies would use FIADCR concurrently with the Operations Plan. However, there is no information to substantiate either of these assumptions.

### 3. Compliance with Vermont-DHEW contract

Theoretically, an Operations Plan, is an output of diagnosis, analysis and planning process decisions. Any diffused objectives, expectations and methodology occurring in the planning phase are reflected unavoidably in the operational system. As analysis of the Planning Process revealed, there was lack of agreement on the objective of the Vermont FAP Child Care Pretest among staff at all levels. The predominant issue of disagreement centered on custodial versus developmental child care,an issue which has not yet been resolved. Since planning and operations occurred simultaneously in Vermont, it is not too surprising that the Operations Plan skirts the issue and presents no criteria by which either concept in child care services output may be administered, organized, managed and evaluated. There is, evidently, a great deal of reality behind the Vermont Operations Staff perception that FAP Planning Staff was not planning for children but for a FAP money management system.

These observations are relevant in assessing to what extent the Operations Plan meets DHEW expectations as defined by the specific child care tasks to be performed by the Vermont Program Contractor.

Following is a tabled recording of the extent to which the Operations Plan meets excerpted specifications of the Vermont-DHEW contract.

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[1] *Op. Cit.*,pp. 11, 15.

Figure 4

## Comparison of Operations Plan Objectives with Operational Achievements

| Vermont/DHEW Contract Task | Coverage in Operations Plan |
|---|---|
| "(4) Procedures for joint Funding of Day Care programs (Title IV & FAP) until national legislation places responsibility with one agency." | Accomplished; procedure via payment, fee and referral schedule forms. Variable clarity of interagency responsibility. |
| "(1) Definition of institutions responsible for generating and operating services." | Yes, but no information system to monitor need or to identify program genesis and service delivery responsibilities. |
| "(2) An agreement with the Department of Social Welfare to continue its Title IV and licensing responsibilities until such time as staff can be developed within OEO and 4-C to effectively assume such responsibility. The transfer shall occur no later than September 1, 1970." | Evidently some system was accomplished since Vermont Day Care Licensing Regulations are referred to in the Plan as applying to Day Care options 3-6 for preschool children (p. 50). No agency responsibility identified. |
| "(11) Outline the size and staffing requirements for the FAP day care component." | Included, but no justification for assumptions made. Parallels FIADCR recommendations, for the most part. |
| "(8) Development of alternative schedules controlling the share of day care cost to be borne by families at any given income level. Schedules tested should include at least one which introduces into the decision of a parent who is at best a | Alternate schedules developed, but no evaluation system defined to test degree of success, though examples of criteria for success do appear. |

## Operations Plan Coverage of HEW/Vermont Contract Specifications (Cont'd.)

| Vermont/DHEW Contract Task | Coverage in Operations Plan |
|---|---|
| potentially low wage earner or who has a large number of dependent children, full consideration of the cost of child care which the decision to work involves. At the same time the schedules should not impose excessive disattachment. Schedules to be tested should also reflect differences in the quality of day care provided so as to encourage utilization of less expensive forms of day care thus both minimizing Federal cost and providing a natural rationing mechanism for scarce resources. Schedules to be tested shall be jointly agreed to by the State and the DHEW Project Officer." | |
| "(9) Design and evaluation of various child care payment systems and administrative procedures for their implementation. Alternatives for example, will include: (a) vouchers to individuals, (b) income exclusion, and (c) direct contracts with the day care providers. The possibility of designing payment systems which would encourage, through monetary rewards, quality services and trained personnel will also be explored. Systems to be tested shall be jointly agreed to by the State and the DHEW Project Officer." | Payment systems and implementation methods included in Plan, but no evaluation system to test degree of success. Voucher system waived at DHEW request, although Plan states its potential. |

## Operations Plan Coverage of HEW/Vermont Contract Specifications (Cont'd.)

| Vermont/DHEW Contract Task | Coverage in Operations Plan |
|---|---|
| "(3) Definition of a State policy regarding the distribution and coordination of 100% Federal contract monies for day care (FAP) with existing Federal monies requiring local cash and in-kind commitments (Title IV). This policy and procedures for its use will be of particular concern in the short-range operational phase of Vermont's day care program." | Note is made (p.32) re WIN program that 100% reimbursement will be made "though the bill provides, through income exclusion, only 50% reimbursement". The Plan implies that Volume V, Mathematica Report, may cover fee policy procedures in more detail. |
| "(7) Design of referral procedures between day care and other FAP components. Of particular concern will be referrals for supportive services for children." | No over-all system re supportive services. Referral system between day care and other FAP components best defined in Appendix B of the Operations Plan. Other aspects of Plan leave questions as to distinct inter-agency responsibilities. |
| "(10) Definition and evaluation of techniques for rapid resource development at the local level including the development of personnel to provide child care services. Alternatives which will be explored include: (1) job training programs (i.e., New Careers possibilities for FAP recipients and other non-professionals in the child care field) which | Purchase of service funds on vendor payment basis (p. 45-46), in conjunction with a start-up grant. No other system identified. |

## Operations Plan Coverage of HEW/Vermont Contract Specifications (Cont'd.)

| Vermont/DHEW Contract Task | Coverage in Operations Plan |
|---|---|
| might be coordinated with employment training components of FAP and the ongoing WIN and MDTA programs; and (2) follow-up training and definition of continuous staff services, which might be necessary in the operation of child care programs. The introduction of child development into home care should be a major consideration in both training programs for personnel." | |
| "(b) On the basis of the inventory of day care efforts (specifying types of care, groups served, identification of gaps in services-programmatically and geographically) and the baseline survey of potential demand covered by the day care planning phase described above, target areas for immediate concentration of effort and specific program needs will be reviewed and expanded. Long-range goals will be set. With the FAP day care planning staff, day care operations staff will define program priorities and priorities for the distribution of limited day care resources within the State." | Not completed at time Plan was written. However, by inference, there appears to be priority effort given for identifying potential FAP eligibles, particularly through locating unlicensed in-home facilities. |
| "(c) Development and implementation of techniques to quickly generate interest in local day care programs and to provide | Not included in Plan except for identifying variable types of public information recruitment efforts (p.70) |

Operations Plan Coverage of HEW/Vermont Contract Specifications (Cont'd.)

| Vermont/DHEW Contract Task | Coverage in Operations Plan |
|---|---|
| actual assistance in the formation and operation of programs. One method, already used on a limited basis, will be further evaluated--that of establishing a network of program developers who are capable of providing public education efforts regarding needs for expanded day care services and of organizing local interest to the point of action. It is anticipated that as the demand for day care services at the local level increases, other techniques requiring less "selling" effort can be effective, i.e., a grant program, a central clearinghouse for information regarding the use of FAP child care monies and recommended administrative procedures." | |
| "(d) The development and implementation of a system of administrative services, training and technical assistance, for staff in FAP child care programs. Program content and techniques, management procedures and staff development will be included. Actual training and technical assistance responsibility may be assigned to cooperative State or local agencies, or developed through the FAP child care operations staff." | Not included in Plan; only evidence of compliance is in Appendix B which includes a memo subtitled "December Training Session for Social Service Caseworkers". |

## Operations Plan Coverage of HEW/Vermont Contract Specifications (Cont'd.)

| Vermont/DHEW Contract Task | Coverage in Operations Plan |
|---|---|
| "(e) The design and conduct of programs which demonstrate new ways to provide child care services in the State. Such demonstrations may include (1) the development of satellite day care homes staffed by FAP mothers around a nuclear center where educational materials and staff services are available; (2) the innovative use of existing ETV programming for children in homes and centers accompanying educational materials for children; and (3) an innovative transportation system for rural child care programs." | No system, except for reference to casework responsibility for transport assistance in Appendix B. It may be that such a system is included Mathematica's Training Volume rather than the Plan. If so, reference should be, but is not, given in the Plan. Alternative child care options do describe possible demonstration programs, many of which are those which had been identified in Washington/Vermont as examples of innovations; attempt is made to emphasize flexibility and openness to local preferences and self-expression. |
| "(f) The development of internal evaluation procedures for assessing the effectiveness of the operating programs and the statewide staff itself. It is anticipated that standard reporting forms will be developed which will meet Federal and State needs on FAP children and provide a basis not only for assessing the effectiveness of current programs, but aid in the projection of future services. Periodic review sessions in the operations staff will serve to pinpoint subject areas for increased communication and coordination, and geographic areas for concentrations of effort. | The plan indicates certain evaluative areas, but no system is presented, only "intent". Identification of appropriate times to seek consultation from FAP Operations Staff, Day Care Unit Staff and 4-C committee aid is given. 4-C has been identified (Appendix A) as appropriate transfer agency. |

## Operations Plan Coverage of HEW/Vermont Contract Specifications (Cont'd.)

| Vermont/DHEW Contract Task | Coverage in Operations Plan |
|---|---|
| Field experiences will be fully documented and analyzed as necessary to give the planning and operations staff a clear picture of what works and doesn't work in particular communities." | |
| "(4) Related to the joint funding policy, procedures must be designed to insure that equal services are provided children in any one center or home. For example, since FAP monies provide for medical and dental services and Title IV monies do not, in Vermont, the problem of integrating these funds at the operational level must be resolved." | Note is made that there will be attempts at providing comparable ancillary services to licensed and unlicensed day care sites; however, nothing is presented in the Plan for any ancillary service delivery system. |
| "(1) Agreements with the Department of Social Welfare in regard to the temporary transfer (i.e. for the period of the contract) of responsibility for distribution and monitoring of Title IV monies, and the licensing of all day care facilities in Vermont." | No system for either monitoring Title IV funds or licensing. Suggests 4-C administration according to OCD Regulations may occur. Plan indicates protective care on an in-home basis is not subject to Vermont licensing regulations. Such sites are identified as "major source of licensed spaces" which could be developed in Vermont. |
| "(2) Use of baseline survey to project short and long range priorities, goals and activities." | Survey not completed at time Operations Plan was written. |

## Operations Plan Coverage of HEW/Vermont Contract Specifications (Cont'd.)

| Vermont/DHEW Contract Task | Coverage in Operations Plan |
|---|---|
| "(3) Examination of national child care system trends and integration into Model plan to work in Vermont or nationally." | No indication of performance by way of bibliographic reference or other means; no criteria for transferability of Vermont Plan nationally. Can "evaluation" help other states assess Vermont success, if no standards are given? |
| "(5) Techniques for generating day care services in areas where community-coordinated child care programs are difficult to develop; including temporary day care programs, contracts with outside suppliers, innovative transportation systems, etc." | No system, but a number of alternatives for varying age groups may permit flexibility for meeting this specification. |
| "(6) Examination and identification of the relationship between job or industrial development in a community and the ease in development of child care services." | No system. |

## B. A Detailed Critique

The child care Operations Plan was prepared by the Vermont FAP Planning staff assisted by staff of Mathematica, Inc. whose tasks were to provide Vermont with expertise and data, to develop baseline data and a set of policies and procedures to implement a federalized FAP statewide income maintenance program.

Mathematica's contract emphasized the expectation that their FAP child care product would be economically sound and would include administrative schemes for:

(a) Procedures for joint funding of Title IV and FAP day care programs until national legislation is passed which identifies the agency responsible for day care funding.

(b) Alternative fee schedules for participating families at any given income level.

(c) Alternative child care payment systems and administrative procedures and their implementation.

The emphasis on these three items matches that in the Operations Plan: monetary controls. However, as noted, while content is strong on these issues, the implementation system contains a number of gaps, particularly in reference to consistent identification of responsibilities in administrative procedures.

The technical expectations from Mathematica contain a number of administrative aspects of the child care component which, while referring to the planning process, also have direct carry-through to operations (e.g., location and identification of FAP eligible population characteristics, preliminary plan for rapid implementation of a statewide FAP pretest, staff requirements, integration of national child care system trends into the Vermont model, and extrapolation of baseline survey data to estimate Vermont child care needs by type, number and location). The Child Care Operations Plan, however, was written before the results of the screening and baseline surveys were available. This deficiency is reflected in the Operations Plan by lack of directives on methods for rapid resource development to implement operations and by the absence of a method or criteria to adapt the Vermont day care operational model to other states. Items for evaluation of the Vermont Plan are noted, but not how other states can or should interpret findings for application to meet their own local needs.

Mathematica's work is important for an income maintenance pretest and the policies and procedures necessary to implement FAP statewide. The outcome of the Operations Plan reflects much more attention to Mathematica's work than to a system for comprehensive child care operations. While there is no doubt that the FAP Pretest was responsible for bringing statewide day care services to Vermont, neither the planning process nor the Operations Plan for delivery can be identified as a "system."

The following critique on specifics of the Operations Plan is organized to follow the outline of the Plan itself, for easier reference.

## Purpose and Basis for Preliminary Rules and Regulations

> "Preliminary rules and regulations are to be used during initial developmental activity and revised as needed to coincide with changes in HR 16311 (FAA, 1970) and with experience." (p. 23)
>
> "Evaluation on any revisions to measure impact on participant families, administrative efficiency, cost and program production." (p. 24)

No system is defined to identify persons or agencies responsible for carrying out this work. Nor is there an operational scheme for an evaluation plan, although consistent reference to evaluation is made.

## Eligibility for Services

A definition of eligibility criteria is well spelled out, including categories of families (i.e., work/training status), conditions of eligibility (i.e., necessary/appropriateness-defined re maintaining work/training status). There is no specification as to who determines eligibility category or condition or the flow of responsibility between identification of beneficiary and onset of service. Eligibility is extensively treated in terms of financial costs: operations in terms of fees based on number of household members, monthly gross allowable income, yearly gross income and liquid assets (table 1, p. 27).

Of the four eligibility categories, (see pp. 24-25) a good deal of attention is given to "potential eligibles", particularly to such evaluation criteria as the extent to which fee schedules are compatible with overall family needs and income levels (see pp. 25-26 for details); increasing sample size; projecting costs and benefits (the latter, from context, is on a purely monetary scale). The "Conditions of Eligibilities" section is one of the few dealing with the need for child care services in terms of child development or physical/emotional/mental handicaps. The system to identify such needs is unspecified, as is a system for evaluation.

Examples of an eligibility system are covered in Appendix B of t where agency responsibility is spelled out for the Burlington-Morrisville area.

Referral and Outreach Attempts -

Only the Burlington-Morrisville Area Plan mentions referrals or outreach.

Eligibility Periods

Child Care services are available to parents dependent upon specified job-start-up/job-seeking periods. Once anyone enters the labor market via job training or placement, the Plan assumes the existence of a regulated flow process of child to day care service. However, the regulations in writing are limited to identifying 4-C as the administrative district and to identifying certain agency roles in helping family members through job seeking and work continuity.

With respect to Job Seeking, no specified number of interviews are required nor is registration for manpower or rehabilitation services required. There is to be data collection re money, certain kinds of interviews and dates, but there is no indication as to who keeps these records or how they will be used.

Continuity is to be achieved as the departments of Employment Security and Vocational Rehabilitation are designated as appropriate agencies to evaluate courses and effects of training, employment or service program interruptions; and to assess status either as "temporary" or "dismissal out of an individual's control". Effort is to be made to treat fairly the adult family member attempting to hold or seek work or training. However, there is no written statement on a method of transactions between ES/VR staff, recipient, and day care center operator on status of worker/trainee.

Evaluation of child care services is to be made on the basis of five criteria (pp. 30-31). However, neither measures of effectiveness nor a designated staff/agency to identify effectiveness and conduct evaluation are specified. The State Child Care Unit is identified as the agency to handle special policy rulings not covered in Operations Plan regulations.

Exclusion of Child Care Services Costs from Income

Title I, Section 443 (b) (3) of the Family Assistance Act provides eligible families a choice of arranging and paying for their own child care and excluding costs from earned income with designated amounts dependent on geographic area less the required fee on a schedule established by the Secretary (HEW) if child care were provided as a service. Arrangements for payment/reimbursement on declared costs is expected to happen via the child care operations unit or its authorized community representative, initially a caseworker in the social service agency, a local 4-C representative or an Operations Staff member.

The above procedure parallels that of the Vermont WIN program, where a WIN office representative is authorized to write the check for initial services. Subsequently, the amount is added to ANFC payments. The recipient is required to report exact costs and to notify WIN of cost changes. A reimbursement schedule is recommended.

The FAP Operations Plan recommends maintaining flexibility in applying the WIN method of covering initial costs, while concurrently initiating an account for individual monthly reimbursement. Responsibility and conditions for this process are presented. A time reporting and accounting schedule is recommended, including a method for handling misuse of funds. (Specifications on payments are under "Payments for Child Care.") Though unstated, the reader may assume that the 4-C representative, Operations Staff person, or other authorized community representative would handle the system, as described in para. 1 re Title 1, Sec. 443 (b) (3).

## Fees for Child Care Services (p.33)

Objective: To develop an equitable fee schedule for the poor and near poor which:

(1) distributes limited child care resources, which encourages labor force participation among mothers with children; and

(2) distributes services to provide reasonable and feasible reduction in total dependency costs to the Federal Government.

## Operations

Early on, a sample schedule was prepared in Washington as a trade off to minimize requirements for poorest families at the expense of sharply rising schedules and steep marginal tax rates for the near poor. Assumptions of this schedule were:

(1) ability of family to pay, rather than the cost of the service;

(2) applicability to full-day care and before/after school services; and

(3) service cost difference in determination of the level of full costs if they were to be assumed by a recipient family.

Justification for the fee schedule was based on two items:

(1) feasibility of fees re family income and work incentive, and

(2) extent to which scarce child care dollars are maximized.

These important issues were not raised as criteria for evaluation but as "our problem...to determine (by workability)". These points are not addressed again in the Plan. As indicated by the third assumption (to justify fee schedules), there is explicit detail on fee adjustments for bringing recipients to the point where "the family has reached the level where it can assume the full cost of care" (p. 35).

Calculations for policies underlying child care fees are based on total gross income. Adjustment is made only for family size. There is no attempt to consider indigency factors due to medical costs, housing, debt payments or other cost factors which skew the gross total income.

The three instructions for use of the fee schedule tables are rather simply stated, except for the last:

> If more than two children in the family are receiving child care, add one half again of the fee for one or two children for each additional child. For example, if a family with four children in care with an income of $Y pays a fee of $X for the first two children, the additional fee for the third and fourth child could be 1/2 ($X) for each. Thus the total fee would be $X + 1/2 ($X) + 1/2 ($X) = $2X.

The reader should allot ample time to interpret the directions or have access to a desk calculator, for it might be rather unrealistic otherwise to respond quickly to a recipient's question of "how much"?1/

Priorities for eligibility are established with most attention given to the "potential eligible" category ("our obvious fee payer"). Page 42, para. 2 neatly outlines the system from contact with the "potentials" through to termination and hearing of complaints.

Applying the fee schedule to the ANFC or WIN mother is identified as a potential problem, since previously these mothers may not have been required to contribute to costs below a specified maximum, and yet could now be required to pay a day care fee. It is assumed that "more or better care for their children" will help

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1/ An actual insert of dollar figures might be more easily grasped by someone who has to try to apply the schedule.

overcome the new financial burden (p. 43). Responsibility for parent education or interpretation to this point is not indicated in the Plan.

Payments for Child Care Services

Two reimbursement methods pre-date the Operations Plan, one applicable to non-WIN working ANFC mothers and the other for WIN participants. Descriptions of payment costs are given in summary without an accompanying payment system description. (p. 44)

As of April 1970, Vermont legislative approval of State funds in conjunction with Title IV-A federal funds was authorized for provision of child care services in licensed centers and homes. A definition of eligibility is stated along with three payment methods (p. 45):

Purchase of service - $834,300

$\left.\begin{array}{l}\text{Start-up grants}\\ \text{Seed grants}\end{array}\right\}$ - $150,000

Funding is to be through the FAP Planning Contract. Who, how and under what conditions the payment system becomes operable is stated as follows (p. 47):

> Any public or private child care service provider could receive funds for the provision of services to FAP eligible children through the vendor payment account, either through an agreement with the Operations Unit or its local representative, or indirectly through the parent in a to-be-further defined parent payment method. Any public or private non-profit service provider could apply for a start-up grant in conjunction with the vendor payment system to rapidly expand the supply of child care spaces in a given area, if demand is demonstrated.

Purchase of services is primarily through vendor payments to "facilities or caretakers" by the "operations unit or other authorized payment agency for child care services", through "contracts or other certification and financial authorizations" (p. 45).

Start-up grants "may be used in conjunction" with purchased services to speed space and resource development. Examples of criteria to substantiate need are included (p. 46). A well-defined criterion is stated for the three-month diminishing guarantee of funds for X-spaces at an agreed upon cost rate/space. The award is limited to future needs in excess of a 90% capacity rate in existing centers. The grant mechanism allows for 10% vacancy rate. Calculations for the diminishing input are included (p. 46-47).

The Seed-grant process includes information on a range of funding available and eligibility for application to the State Child Care Unit. Licensers' reports are not listed as requirements but "(to) . . . assist the staff review team--appointed by the Director of Child Care Operations and including a representative from each child care unit" (p. 47-48). Rather than as a routine part of the team review board, 4-C Advisory Boards are to be involved "in special instances where there seem to be justifiable needs beyond specified maximum grant amounts." The 4-C Advisory Board is identified as the body to hear and rule on complaints on accepted or rejected awards.

A special note is made of intent to permit flexibility to explore alternatives in delivery of services beyond mere "purchase of services on a per child basis with variations" described under "Child Care Options" (pp. 64-78).

Types of Child Care Services Provided

Options - Five options are listed for parental choice of services. 4-C or child care operations are to be used if option 2 (p. 49) is selected (in-home child care services, "hopefully" via ES and New Career trainees). Other choices include family day care home (2-6 children), group day care home (up to 12 children), and group day care center; any arrangements, "if they have income and exclude the costs . . . from their income" (p. 48-49). A sixth option, later inserted in the Plan, an experimental voucher system, was rejected by FAP because of costs and other experimental priorities. The Plan states the "primary importance" that parents be made fully aware of options. However, no outreach or other educational or public relations attempts are recommended; and no agency is delegated to develop or implement transfer of information about the range of options. (Appendix B does, however, deal with these issues).

Standards - Vermont Day Care Licensing Regulations are recommended as standards for pre-school child care services. Any eventual changes in regulations derived through FAP experiences, will be recommended by noting and relaying "to the appropriate Federal planning agency" (p. 50). There is no identification of methods of communication or evaluation criteria to justify proposed changes.

In-home "protective" care is not subject to Vermont licensing regulations. The plan states that ". . . the FAP child care agent (operations staff or local 4-C) may arrange "for ancillary services, training, supplies, etc. to improve quality of in-home care. Again there is no system identified for setting arrangements

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in motion. The above also applies to school-age children. This reference to in-home standards is the first time that the term "protective care" appears. There is an implication that in-home care and before or after school care for school age children are categorically different from "child care services." There is no definition of either protective or developmental service in the plan.

The specification of "protective care" to in-home and part-time/age-grouped categories could connote custodial vs. developmental services. It is noted that when "protective care...(is) chosen...and...reimbursed...not subject to the licensing provisions of the State...it is hoped we could identify as many of these arrangements as possible...(since) they could well be a major source of expansion of licensed spaces." "These arrangements are generally small family care situations...which supply the majority of care in the state to date." P. 51. The Plan to identify such arrangements is covered below in "Cost of Child Care Services" though no mention of that fact is noted in this Section.

## Cost of Child Care Services

Local 4-C Committees and/or the Day Care Operations staff member are expected to supervise an inventory of available spaces and existing rates for care in their community or region. This is designed to guard against apprehensions that "significant rises" in per capita costs for in-home and center day care for FAP eligible children will either motivate operators to fill spaces with "higher guarantee" FAP eligibles, and/or create antagonism among middle income parents who experience cost increases and must compete for more limited space.

The Plan recommends that the inventory include all forms of day care service facilities and serve not only to set rates but to establish "levels of allowable exclusion of child care cost in the area."

As noted earlier, unlicensed facilities are a priority group for the inventory. The question of "quality" care vs. "protective" care is not given as a motivational factor in making the inventory. What use, other than projecting costs, 4-C and/or Day Care Operations will make of the inventory is unspecified as is transfer process of the data secured.

## FAP Child Care Rate Structure

This section of the Plan is repeatedly referred to as a "proposal" which determines rate adjustments according to center size and cost/size directing "attention to staff and facilities only". (p. 58)

Although five assessment factors are listed for "determining the value of day care services in a variety of types of facilities (p. 53-54), the Plan cautions that "details of this proposal are tentative and require further evaluation" (p. 58). This increases concern about the wisdom of circulating the Plan nationally as a day care center operations model. With eligibility and cost factors receiving heaviest attention throughout, it comes as a shock factor to discover this "tentative" qualification--particularly since it appears as an asterisk footnote on p. 58. With the formula and calculations preceding and following this item, one wonders whether the reader will overlook the note of caution (i.e. "proposed") and seize on the few tangible "how to's" appearing in this section.

The Operations Plan aims to provide a simplified rate structure for both licensed and non-licensed day care facilities. This follows the general principle that FAP will pay differential rates dependent on types of day care services received. Stated criteria for "types of day care services received" are place or facility-oriented: "the services are to be provided (but not 'what kind") by licensed facilities (day care centers, groups... and family day care homes) and by legally exempted facilities (any category not required to license), but which might be chosen by the parent and paid for through income exclusion" (p. 53).

As a "proposal," the language used to describe rate structure is "could be" and "would be." Again there is no clarity to the reader about who is a supplier of day care, staff in the Child Care Unit, a 4-C or other community representative, a funding source in Washington or a vendor.

No justification by way of bibliographic references or other authoritative sources is given to back-up staff child ratios, space, equipment and supplies, technical assistance and consultative services (pp. 55-57). The conclusion reached is 52 weeks at $24/week base rate for a center serving 22-27 children. Formulae are presented to increase/decrease the weekly rate (pp. 59-63). The two largest cost items, staff and facilities, are the only ones considered as adjustment factors, due to "the difficulty of determining the ratio of fixed to variable cost..." (p. 58). The basic objective, though unstated, in presenting the rate structure is "break even."

Center size is equated at 90% of licensed spaces, and all rate adjustment factors are based on this definition. The assumption is made that center size is a relative constant so that there is no need for concern with "fluctuations in enrollment." LICD site visits revealed this to be a faulty assumption, since day care operators had a range of low to severe difficulty juggling part and full-time slots as centers ranged from under-utilized to over-utilized.[1]

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[1] See pp. 134 - 139.

Two alternative methods are offered for the prime adjustment technique, both based on the concept of center size. The summary recommendation is "an adjustment factor applied at intervals"; with a qualifying remark that "specific intervals and percentage factors" are issues for discussion (p. 63). Grounds for such discussion are not given, nor is justification for why this method has more to recommend it than "the other possibilities" which are not described.

Child Care Delivery System Options

The 4-C committee is "anticipated" as "one of the mechanisms" for administering FAP throughout the country. No other alternative is either pointed out or discussed. 4-C would be organized and regulated to OCD standards. Appendix A of the Plan (pp. 79) supposedly "describes the process of how 4-C handles the FAP concept." What it does in actuality is to define process in terms of eligibility criteria, participation in a 4-C Committee, and the appeals procedure for handling grievances (who shall be there, not function). The term "grievance" is discussed most clearly regarding complaints about representation on 4-C Committees (p. 80). Service-provider appeals and grievances are to be heard by the State 4-C Committee and Operations Staff. When grievances are with the State Child Care Unit, the Vermont Consortium and a federal child care representative "may be called."

Proposed regulations are not included in the plan's Appendix A, bu "could be" (not "should be") obtained from OCD.

The Operations Plan notes the need to develop clearer guidelines for 4-C groups regarding quality and extent of participation of "all manpower and social welfare agencies" (p. 65). Vermont 4-C groups are purportedly submitting "their incorporation and general plans to the State 4-C and Federal Regional 4-C Board for approval" (p. 65). No further reference is made to these plans, and the directives in the remaining section vary between "could, would, and will be."

There is also no information on implementation of plans. (1) Administration: Handling of FAP Child Care funds is "anticipated" as a State 4-C Committee administrative responsibility, provided OCD's recommendation for "prime grant mechanism" is chosen nationally. Vermont's size is the rationale for 4-C designation, with intent to evaluate the effectiveness of this method. However, who will establish criteria for evaluation is not mentioned nor is an evaluative method or process.

(2) Program Planning, Operations & Evaluation: A systems-type statement of the respective roles of the FAP Planning and Operations Units is made (p. 66):

> The Planning and Operations Units would, in essence, function like staff to a prime grantee, with the exception that there are additional planning responsibilities detailed in the FAP contract, i.e., overall evaluation of the total program evolving and the development of and recommendations for a model child care delivery system. For example, the Child Care Unit would deliver FAP child care services (1) by developing a statewide needs and development plan and helping local groups plan for FAP child care needs; (2) rendering technical assistance in the identification of existing and development of new child care spaces; (3) providing training to local service providers (through existing local 4-C Committees or directly); (4) establishing and operating a vendor payment and fee collection system (through Regional 4-C Committees or directly); (5) providing grants for rapid development of needed FAP child care services; (6) monitoring the total program in relationship to the needs and development plan, with a focus on the effect of various administrative management techniques; and (7) detailing the services delivered and utilized and the problems identified and solved. Organization of child care groups and the provision of technical assistance (i.e., money, regulations and procedure training) for the delivery of services would be the function of the Operations Staff. The design of approaches to delivery of services and their evaluation would be functions of the Planning Unit.

It seems to be assumed by the designers of the Operations Plan that the reader will know which unit and functions in program planning, operations and evaluation are being referred to above, though no positive relationship can actually be made.

The Plan also describes a recording system, "which reflects stages of each regional or local (4-C) development and composition... The state of child care resource development in that area and special problems...systematically recorded and measured at two-month intervals...in regard to the effects of an influx of "outside" forces (money, personnel and technical resources)... on the operation...of local groups, and consequently, but most importantly, on the delivery of child care services within that area or region. Criteria for this evaluation effort are being developed to provide initial benchmark data" (p. 67). Again no definite responsibility is assigned to an agency or individual.

The operational system then, is merely a skeletal outline. The reader either must invent "benchmark data" indicators, consult with local Child Care Unit staff to develop a recording system, eliminate the recommended procedure for some other evaluation scheme, or use the C & D forms in Appendix B if available. The operations plan, in general, contains ideas and categories for inquiry or process but no implementation system.

Recommended items for evaluating program effectiveness are given, with special caution on controlling "outside influence" (p. 67-68). Agency referral systems, eligibility certification enrollment and payment procedures "will be simulated where possible" along with "Regional variations." "Program types" may also be regionally varied. Program components "can be controlled and their effects measured." How and by whom is not described except for the Appendix B example as a simulated FAP system "where there is an active social service agency that can be provided child care spaces development support by the Operations Unit and the local 4-C." No recommendations or alternate systems are provided for simulation where the named support agencies are absent, in full or in part.

Burlington-Morrisville E and D Labor Project

Appendix B relates to the Burlington-Morrisville area and its E & D Labor Project FAP child care operations. The Appendix consists of three items, two memoranda and a document entitled Authorization and Placement Procedures.

The memoranda, which come closest to describing a system, are from Kathy Futrell to federal staff in FAP Planning, VR, Social Service and OCD.

The first memo (October 26-70) drafts the preliminary strategy. Three categories of information are listed as having been retrieved from the basic E & D plan, including the objective for including data. Methods, including designated agency and program developer responsibilities, are clearly stated. The referral process (p. 85) graphically identifies lines of communication and activity responsibilities of and between agencies. Also included are data needs for establishing ancillary services, baseline data for evaluation purposes and a management information system. Final responsibility for overall coordination and delivery of child care services to this project rests mutually with Wayne Calderera (Day Care Operations Unit) and Kathy Futrell (FAP child Care Planning Unit).

The second memo (October 30-70) is also from Futrell re organization of day care services in support of the FAP E & D Project. "Support services," as used here, refer to social services counseling in four specific areas for training project enrollees (p. 89). The program developer will handle these tasks until caseworkers are hired. The four information resources furnished by day care staffs are listed as necessary for caseworkers. Each of these items will be identified by the staff person responsible for preparing or developing the data:

(1) Day care program guidlines, procedures (including payment system) and forms and orientation to delivery systems and resources.

(2) A periodically updated inventory of available day care spaces, classified by location, type of care and age group.

(3) An expedient directory of child care transportation resources.

(4) Plan for provision of services in the community to meet special needs of the children of E & D project.

Another exhibit, the "cycle of day care service" is referred to but cannot be identified except if the reader assumes a reference to material on P. 86. The second exhibit includes referral forms and a timetable for a one-month registration of day care centers.

Eligibility criteria are clearly stated, including periods of coverage and types of FAP authorized and funded services. Placement procedures are outlined, including inter-agency responsibilities. Use of forms and their distribution are also clearly outlined. A section on "follow-up actions" (p. 98-101) refers to information that must be included on billing forms (e.g., special child problems, child absenteeism, placement termination, work lapses, program withdrawal or completion). Directions for completing the referral and day care authorization, billing and placement record forms are included with the forms. Directions are clearly stated. Quality care assessment can only be inferred from information recorded on the "Blue Form Day Care Termination Report." All other forms deal with money, transport, time sequences and schedules.

Appendix B seems to be a useful document but illustrates the considerable attention given to fiscal management (i.e., eligibility, referral, placement criteria) and the absence of attention to quality care components.

Operations Plan Summary on Options

The Operations Plan Summary on Child Care Options states that these "are available and will be exercised at at least three levels." Administrative Relationships, Delivery System, and Programs and Techniques.

The use of the word "options," rather than "models," "operations," or "programs," again implies that "alternatives" are being proposed so that a decision about what to implement can be made at a later date.

At all times, the reader of the Operations Plan feels there is an open choice, which may be interpreted in a positive sense as "flexibility." There is a pattern of presenting a method, backed up by some form of assumption and/or justification. Yet there is no prescriptive action on how to implement whatever that choice may be.

The interchangeable use of "would be" and "will be" appear throughout the plan: "An extremely significant product of the Vermont child care effort would be...". "There will be major demonstrations in the area of personnel resource..." (p. 75). The word "recommendation" is not used, yet the Operations Plan appears to be a series of recommendations and descriptions of some on-going efforts to establish a basis for a workable plan.

## C. Implementation of the Operations Plan

1. The Vermont Interim Guidelines and Operating Procedures for FAP Day Care were issued by the Vermont OCD in August, 1971. Prepared by FAP Child Care Planners as a partial implementation of the Operations Plan, The Interim Guidelines are chiefly concerned with eligibility and financial procedures and do not deal with service delivery systems. In transmitting the guidelines to 4-C Chairmen and day care operators, the OCD Director's memo stated that the Interim Guidelines included new administrative functions for day care operators which will continue "until funding and development of additional staff capability at the regional 4-C level is completed." These administrative functions cover three areas:

(1) a parent fee collection system;

(2) a simplified method of parent declaration of family income employment status; and

(3) an information system for program direction and coordination.

The Interim Guidelines table of contents closely follows the items in the first half of the Operations Plan: purchasing of FAP Child Care service, eligibility, fees and payments and collections. However, the Interim Guidelines are better organized and present information more clearly than does the Operations Plan. This is an important contribution since the Operations Plan is difficult to follow due to its organization and format. Particularly useful is the systematic way in which directives in the Interim Guidelines refer to appended forms, the clarity in which directions are presented, including easily understood examples rather than the mathematical formulae in the Operations Plan. The Guidelines include duplicate copies of the Fee Schedule from the Operations Plan (pp. 38-43).

A particularly useful part of the Interim Guidelines is the "User Index," which lists intake procedures in reference to page and paragraph, and an outline of administrative responsibility by organization.

This document seems to be a good first step at interpreting the Operations Plan to readers so they can hope to understand and implement intake procedures in order to build eligibility, fee, and billing systems.

The Director's memo also indicates that the new administrative requirements are intended to improve information reporting systems for use in program direction and coordination. In this regard, the Interim Guidelines suffer from the same limitation as the Operations Plan: e.g., program direction and coordination are defined in terms of how many eligibles, how much they are charged and how efficiently collections of money are made. Information reporting may also shed light on the extent of interagency coordination via accuracy and use of completed forms. Still missing are policies and procedures for dealing with what happens when children enter the day care service system.

2. Day care staffing patterns at the sites seemed to reflect the recommended options in the Plan. For example, day care workers included WIN and other federally sponsored program participants.

3. The Plan's emphasis on FAP eligibility factors and financial controls was reflected in responses from nearly sixty percent of the day care operators who estimated that each spends an average of ten work days each month on tasks related to eligibility and money. Almost half of the sites visited by LICD interviewers (twenty four of fifty) had at least one family member covered by FAP. Additionally, of the working parents interviewed, 30% had obtained their jobs through a government program and 40% of those identified FAP as that program.

4. Designers of the Operations Plan assumed that parents would take employment or job training if day care were available during working hours. In support of this assumption, over half of the working mothers interviewed said they preferred work to

staying at home. Nearly 70% of all working parents interviewed said they worked because they "needed the money".

5. The Operations Plan projected "small family care situations" or "protective care" homes as important resources for employment of FAP eligible adults and for immediately available day care for FAP eligible children, since these "caretaker" homes were exempt from state licensing requirements.

However, the "caretaker" sites seemed to create more problems than they solved. The Caretaker Appraisal Criteria document was not available as a statement of standards until December, 1971, despite the controversy which developed around custodial versus developmental child care.

6. The Operations Plan diffused administrative responsibility for decisions and implementation of FAP eligibility and fiscal controls among various jurisdictions, depending on when parent/agency contact was established and the type and level of decision or action required. Problems of implementing what may be considered the most detailed portions of the Plan became apparent in responses to the LICD survey of State, 4-C, local site operators and consumers of child day care services. Despite the Plan's detail of what to do under certain circumstances, how to do it remained unclear at all levels of planning and operation.

LICD field data reflects confusion about both reimbursement and payment methods from the point of determining when and how to calculate fees, to determining dates for submitting bills for payment. The extent of frustration with budget, accounting and other control systems varied with the bureaucratic level of one's job, levels of inter-agency communication, accuracy of information, and regional variation in 4-C day care site relationships.

The tendency in the Operations Plan to stress local flexibility, while a strong point for potential expression of felt needs was considered to be a deterrent by some state policy makers who had anticipated compliance with "clear cut guidelines".

7. The Operations Plan presented specific details on methods and controls to assure that children of FAP eligible families would be served, that equitable fees and payments for services would be rendered, that adequate child-adult ratios would be set and maintained and that alternative types of day care would be available. However, the Plan did not include a single reference to the Federal Interagency Day Care Requirements even though all federally funded day care programs must legally comply with its provisions.1/

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1/ FIADCR Op. Cit., p. 2

8. The use of forms, guidelines and other instructional materials were anticipated in the Plan and later developed as operating tools. LICD field data, however, revealed confusion, ineffective use and inadequate understanding of many materials. For example, some state officials tended to describe their guidelines as "clear-cut" and needing only to be "used properly" to be effective. Some 4-C leaders and site operators, on the other hand, complained of "complicated" and "conflicting" instructions or of not getting "the right" information when they needed it, especially official decisions.

## SUMMARY

Overall, it would appear that the Operations Plan could not be implemented as a day care delivery system because it did not provide a statewide basis for dealing with day-to-day operating experiences. Except in the Burlington-Morrisville area where specific policies and procedures were developed to link day care with the other FAP services, the Plan remained a statement of hopeful intentions and fiscal controls rather than a blueprint for action.

The missing ingredient in the Operations Plan was a format for human interaction--the process by which information could be shared, decisions made and actions taken.

# Chapter 2

## People

## Chapter 1.

### People

To learn "how well" the day care system was working, LICD investigators began with the people in the system.

Interviews had been conducted with nearly all of the key decision makers at the federal level during our study of the planning process. Therefore, we focused this examination primarily on the people in Vermont and those few people in Washington who were directly involved in the day-to-day operations of Vermont's FAP day care pretest.

For our study of operations, we interviewed Vermont state employees who were directly involved in operations and community coordinated child care (4-C) leaders.

To complete this work, we sent ten interviewers into the field to visit a stratified sample of fifty day care sites where we collected data from their operators (directors), staff, advisory board or council members and parents whose children were enrolled at the day care sites.

Considering people to be the most important resource of the day care system, LICD staff wanted to learn who they were, what they did and how they perceived themselves and one another in relation to getting the job done-ergo: providing child care for FAP eligible families.

This line of inquiry provided information about personal characteristics, levels of experience and education, roles, relationships, decision-making and information processes, technical assistance and training.

### Who They Were

Vermont's Office of Child Development was directed by Joan Babbott, an M. D. who had been Child Health Services Director of the state Health Department. In August, 1971, she was appointed to head the new state OCD by William S. Cowles, Jr., Secretary of Vermont's Agency of Human Services. Babbott continued to devote part of her time to the Health Department until personnel processes were completed and she was officially transferred to SOCD full time about six months later.

Babbott's primary federal contact was Sam Granato, Day Care Chief in HEW's Office of Child Development in Washington, Project

Officer of the Vermont FAP child care pretest and its chief architect. Granato's assistant, Betty Krone, was also involved with the pretest as was Edna Hughes, chief of Day Care Licensers (OCD/HEW) who provided technical assistance.

The FAP Planning staff in Vermont played a diminishing role after the Day Care Unit was transferred from the state office of Economic Opportunity to the new SOCD.

George Carcagno, Director of the FAP staff and Kathy Futrell, its Chief Child Care Planner, continued to develop related policies and procedures, eventually assigning staff analyst Mike Wriston to the SOCD as liaison in order to strengthen that office's capacity to achieve FAP objectives.

Wayne Calderera, who had been the lead Program Developer in the original SOEO organization, became Babbott's deputy, in effect, when she appointed him to head the Day Care Unit in the new OCD.[1]

From July 1, 1970 when the pretest began, until the Spring of 1972, the Day Care Unit consisted of three program developers and three trainers who covered the state. These positions later became Training and Technical Assistance Specialists but did not appear at all in Vermont's FY 1973 proposal for refunding.

Rolland C. Gerhart, Jr., was appointed Chief Licenser when day care licensing was transferred to SOEO from SDSW in September, 1970, along with Gerhart and five other licensers. By the Spring of 1972, organizational shifts had transferred two of the licensers to other positions and brought a sanitarian and building inspector under Gerhart's direct supervision.[2]

About this same time, shifts in the Agency of Human Services placed SOCD's Business Manager, James Healy, and his assistant Jackie Cassidy, under Beryl Rosenstreich, chief of the Administrative Services Division of AHS. Healy, too, had been with the pretest from its earliest beginnings and continued to work out of the SOCD office as before the reorganization.

In addition to clerical support, other SOCD staff included part-time and full-time specialists from diverse backgrounds such as Teacher Corps, Peace Corps, Community Health, Communications and Systems Analysis.

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[1] Daniel Holland, former Day Care Unit Director, became acting Director of the State OEO in July, 1971. Holland was still there and continued to chair the State 4-C Committee at the time of this writing.

[2] The Sanitarian Trainee was an employee of the Environmental Health Division of the state Health Department The Building Inspector was an employee of the Fire Marshall Division in the state Department of Public Safety.

Several state agencies provided staff services, directly or indirectly, to the FAP day care program. The state Department of Social Welfare, as the legal parent of the pretest, had played an important role through its Commissioner, Joseph Betit, who chaired the original FAP child care consortium which included: Stella Hackel, Commissioner of Employment Security; William French, Commissioner of Administration; Thomas Davis, Director of SOEO; and Richard Hill, Acting Commissioner of Vocational Rehabiliation. [1] In addition, Bert Smith, ANFC Division Director, DSW, also handled WIN and FAP-related matters.

Under Commissioner Bruce Mosher, the state Finance Department processed day care bills for reimbursement through four employees who spent portions of their time each month on this work. Louis Peck, Assistant Attorney General for Government Affairs, personally reviewed all contracts and other legal matters pertaining to day care activity. Food was provided through the Department of Agriculture programs handled in Vermont by Bamba Foley, assisted by Betty Luce, at the Department of Education which approved all allocations of DOA food including financial reimbursement and the distribution of surplus commodities by Jack Hardy at the state Agency of Administration.

The following information summarizes data obtained only from people who had a direct, operational involvement with the FAP child care pretest.

## Personal Characteristics

Of the fifty two site directors interviewed, thirty two called themselves "head teacher" or "teacher-director". There were two "co-teachers" or "co-directors", the rest were "satellite home mothers" or "day care mothers".

Twenty six of the fifty sites surveyed had advisory boards or councils. Twenty two of these were centers, the others were homes, satellite homes or group homes. We interviewed twenty center advisory board members and one home board member. They identified themselves as chairpeople (8), vice-chairperson or vice-president (3), secretary (3) or members (7).

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[1] Hill was Director of the VR Division under the state Department of Education before VR was transferred to AHS in January, 1971.

Most of them were parents of the day care children and housewives. Business people, community organization representatives, public agency staff, day care operators, and religious representatives comprised the next largest group. A few had farmers, professionals, teachers, and university representatives on the board. Most of the board members were directly involved in the day care program as parents of day care children. A smaller percentage were involved as day care staff or volunteers.

LICD interviewed fifty five staff members, some of whom identified themselves as follows: Three assistant directors, two helpers, twenty aides, eighteen teachers and five cooks.

Eighty eight parents of day care children were interviewed at the sites, eighty mothers and eight fathers.

Forty-nine reported one child enrolled, thirty-six had two children enrolled, two had four children enrolled, and one had more than four children enrolled.

Twenty-two parents were enrolled in a training program. Of those employed, forty reported receiving less than $75. and thirty received from $75. and $100. in weekly gross pay.

Twenty-five said they received additional income from the government. 1/

## Training and Technical Assistance

Although the need for training at all levels was articulated repeatedly in all the official documents, LICD staff found no evidence of a statewide training plan for state, 4-C and site staffs, boards or parents. The state's contract with Thiokol had resulted in a training program for state, 4-C and Head Start staffs early in the program. 2/ Any additional training was provided by three state trainers who covered the state and attempted to assess and meet training needs as they perceived them. Training was also provided by the state's program developers in administrative areas such as certification of

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1/ See Chapter 3, Money, for details. Also, see Appendix M for additional personal characteristics of persons surveyed.

2/ See pp. 121-125.

eligibility, billing procedures, accounting systems and resource development.[1]

According to Wayne Calderera, Chief of the Day Care Unit, state trainers in FY '71 and '72 trained day care site operators and staff, trained other agency staff and cooperated with DSW's Chief of Training, participated in Head Start (SEDFRE) training, worked with AHS in joint training efforts, helped train WIN and Community College staffs regarding Day Care, wrote a training model for Vermont day care and were involved in setting up the UVM program for Home Care enrichment.

Calderera described the Program Developers as having set up billing and accounting systems and budgets for sites, worked with 4-C chairmen or parent/child coordinators to certify eligibility and reimbursement fees, worked with the community to develop resources for medical or dental programs, helped find new 4-C members and sometimes ran 4-C meetings in the absence of the 4-C chairman, wrote reports to OCD, kept daily contact logs wrote quarterly reports, prepared MIS information and helped write the new OCD manual.

When interviewed, two thirds of the state officials said they had received special training since they began working for the state. Only two of those who had not been trained said they needed more training for their work. But more than half of the officials interviewed felt they needed more training for their work, such as: "Management...grant writing...government administration...field training...training in what children need...training in decision making within the State office and with the day care parents and staff...The National Dietetics Association requires 75 credit hours every five years...always helpful to know more."

Most of the officials were reading and studying independently. Two were taking correspondence courses, others were pursuing some of the following activities to get more training: "courses at Goddard...graduate work...attending seminars and conferences, dropping in on 4-C or Head Start Training".

Most of the State officials had experience working with children before taking this job, experience gained at a public school or at home with their own children. Very few had experience working at a day care center, nursery school or kindergarten. Others had obtained their experience at camps, YMCA, Head Start, Girl Scouts, as a psychiatric social worker for children, summer recreation program, working with retarded children, baby sitting and Sunday School teaching. Three officials had no experience with children.

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[1] When LICD staff asked for a functional distinction between Program Developer and Trainer we were told that "Program Developers are really Program Management specialists and Trainers are really Education Specialists in Early Childhood".

About two thirds of the state people said they provided some type of technical assistance to the day care program. Four state people said they provided "orientation".

Continuous in-service training was conducted by three of the T&TA specialists, a communications consultant, and the Child Nutrition Consultant. Eight others said they provided the following services: "Consultant to the providers to help solve problems...counseling board members...advise 4-C staff in human relations problems...inspect for licensing...media presentation development...monitor and helped organize office re tasks and functions...bridge gaps in information regarding available services with the state and counties...provide help regarding financial management and records."

None of the 4-C Policy Committees provided a training program for its committee members, or volunteers and only one 4-C had a training plan for its paid staff.

## Site Training

Fewer than half of the day care operators had a training program for their paid staff. Most of the directors either did not answer the question or said that they did not have a training program. Less than a third of them had a training program for their advisory board and fewer than half of those responding to the question had a training program for their volunteers. If there was a training program, in most cases, the operator was responsible for running it. In a few day care sites, either the state OCD, a community college, the CAA or Head Start conducted the training program. One operator had the 4-C bookkeeper conduct training.

Generally, the training program was conducted at the day care site. A few operators said they used various places such as a high school, a Mental Health clinic or a local community college, which seemed to be the most widely used resource. About 32% of the day care sites had received training programs provided by the State Day care unit. A small percentage of the day care sites had received training provided by a university, private college or training organization. One operator said that the 4-C was becoming involved in training.

About half of the operators said that they did not spend any time each month in training activities. About one fourth of the others spent 1-2 days per month in training. Less than one fourth spent 3-5 days in training and a small percentage spent 6-10 days in training activities per month.

Most of the operators said they never spent any time with the state program developers and half of them said they never worked directly with the state day care trainers or technical assistance staff. A very small percentage of the operators said they worked with the state trainers on a regular basis.

Most of the day care operators had not received any special training since they began working at the site. The 30% that did receive training said they received it from a State trainer, training organization, university or college. One operator was trained by the previous director. A few of them in the Northeast Kingdom received their training from OCCSA. Most of the operators said they needed more training for the work they did. Most of them were reading and studying independently, and a small percentage were taking course work at a local school. Some of the training areas the operators identified were: "growth and development, parent involvement, community participation, child care-anything, first aid, fund raising, counseling, psychological services, community relations, early childhood education, child development, psychology of disturbed children, health diagnostic training, how to train staff, infant care, how to develop curriculum teaching techniques, and how to implement social change through community action efforts."

Twenty six directors had experience with children in their own home while most of the others had experience either in a day care center or a public school. Some of the others had experience with children in a day care home, nursery school, kindergarten or private school. 80% of the directors interviewed had some experience with children in a formal structured setting.

About 60% of the day care staff interviewed felt a need for more training, and wanted it in child development and early childhood education. A few wanted on-the-job training in day care management and problem solving. Others wanted training in parent counseling, organizing and nutrition.

Most of those who wanted training were taking college or university courses, and studying independently. A small percentage were getting in-service training, or participating in a local agency's training program. Some said they asked their directors or experienced people for help and information.

60% of the day care staff said they had received special day care training after they began working at the site. About 1/3 received it from the site director, 1/3 from a University or college; and 1/3 from a state trainer. A small percentage also had received training from a community organization, a training organization or other outside educators.

Fifty one said they had previous experience with children. About half of that experience had occurred at home with their own children. The others had worked in formal settings such as a day care center, nursery school or public school. Twenty-nine had worked at the site between 6-12 months, seven had been at the site more than a year, one more than 2 years, and two since the site had opened.

About 50% of the day care advisory boards surveyed had a training program for their members while 60% of them had training programs for the paid staff. About 50% of the boards had a training program for their volunteers and one board had a training program for parents. Most of the board training programs were run by day care operators. Only four of the boards actually ran training programs. Others said their training programs were run by a Head Start Director, B-ROC or SOCD. Only eight members said they had received Board training.

Most of the boards used a community college staff, the state day care unit or their own staff for their training programs, and a few used a university, training organization, or local public or private agencies.

## What They Did

### The State

State staff said they were responsible for planning, organizing, assisting and administering the Vermont day care program. These responsibilities included developing and promulgating policies and procedures, allocating resources, establishing fiscal and managerial controls, establishing program quality standards and compliance mechanisms such as licensing and providing support services such as technical assistance and training.

About half the state officials interviewed said there was nothing at their agency that could not be done because there were not enough staff people. Fewer than half the state officials thought they could use more staff, while the others said that they could use less staff. Those who wanted more staff cited heavy workload, too few people to cover the entire state, inadequate clerical support, "no time to follow-up," "no time to consult and advise--only put out fires," no time to monitor or evaluate, and a need for informational "facts and figures".

Those who wanted less staff said it could happen with a redistribution of tasks and functions, increasing regional 4-C capability vis-a-vis administrative staffing, better methods of operation, more specific directions, more variety of skills in staff and "changing the concept of OCD."

Most of the State Officials felt that it would be a help to have staff with different kinds of skills, but a few did not know if that would help. The skills mentioned most frequently as needed were early childhood and management expertise. Others mentioned with varying degrees of emphasis were educational, bookkeeping, community organization, research, communications, program development, evaluation, analytical, computer, statistical accounting, and legal skills. Some of the officials commented that the skills of current staff were not being fully utilized. A few said objectives needed defining before they could identify additional needed skills.

When the Vermont FAP day care pretest began, the Day Care Unit was organized into teams of program developers, trainers and licensers assigned to specific territories.1/ As the program became institutionalized, the distinctions between the three positions began to blur. Program developers and trainers became "generalists" as the licensing function crystalized. The F.Y. '73 refunding proposal of the SOCD presented a distinctly different staffing pattern, one which reflected a view of the state level as coordinative and indirectly operational. It included positions which called for organizational, analytical and systems skills rather than human development skills. As the FAP child care pretest moved into its third year, the accumulation of management problems and their ramifications appeared to be recognized in the move toward decentralizing direct activities to the 4-C level. However, unless the shift of certain responsibilities from state to 4-C was to be accompanied by effective statewide systems, some of the problems may have been compounded.

For example, LICD investigators found that individual energies, talent and initiative often remained within a given community and were not tapped by State officials as resources to be shared with less fortunate communities.

The success of a particular 4-C or day care operation seemed to depend on the creativity and experience of leaders who were able to fill the gaps left by the state.2/ One 4-C leader, for example, did an outstanding job of organizing day

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1/ See pp. 91-92.

2/ For details, see Chapter 5.

care sites so that they coordinated their efforts in mutually beneficial activities such as joint purchasing and sharing of staff and information. Another 4-C director developed a checklist for caretakers while, in another part of the state, a day care operator, who had extensive early childhood experience through developing and operating a Head Start program, had never been tapped as a useful resource, despite her stated willingness to "be helpful."

As for the State 4-C Committee, based on interviews with regional 4-C leaders, most of its activities revolved around its legislative committee. A number of Regional 4-C leaders said they regularly received the legislative newsletter which contained the latest information on national and state day care legislation. Apparently, there was an active dialogue between the regional and state 4-Cs on legislative issues and a number of 4-Cs supported lobbying efforts as a result of this activity.

## The Sites

At the day care site level, operators and their staffs were responsible for providing day care services to the children of FAP eligible families. It must be noted here that all of the guidelines, regulations and administrative machinery reached their final destination at the sites. All other people in the system were responsible for trying to find ways to get the job done. The people at the sites were faced with the double-barrelled task of caring for children while meeting the standards of program and accountability imposed from above.

About half of the operators and half of their staffs agreed that there were things they couldn't do because they needed more staff. About one fourth of the operators and most of the staff said it would help to have staff with different kinds of skills, and they named music, education and art, most frequently. Other skills mentioned were bookkeeping, cooking, dancing, health, carpentry, natural science, physical education and drama.

About one half the directors used a regular staff substitute while others used parents and neighbors to replace an absent staff person. Most of the operators were able to pay their substitutes and did.

Thirty one of the 50 sites had some paid staff, most of whom were teachers and aides. Fewer than 10% of the paid staff were cooks and maintenance people, about 1% were drivers. Some sites had secretaries, bookkeepers, dental technicians and NYC, WIN or FAP trainees. Most of the staff were women between the ages of 21 and 35. Fewer than 10% of the paid staff people had been directly involved with a day care program before employment at the site. Most of the operators spent most of their time delivering child care services, for an average of 18.5 days per month. [1/]

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[1/] See p. 217 for staff salary details.

Overall, the operators said they spent an average of ten days per month preparing reports, reviewing and verifying computations, certifying eligibility, handling money matters, maintaining records and files and processing monthly bills. Four percent of the operators said they spent an average of eleven days per month working with parents, eighteen directors spent about four days per month working with the 4-C. About half the directors spent three days per month working with the site board of directors.

The average sized day care advisory board was sixteen members with a range of three to forty members. Nineteen boards had elected officers, fourteen had an executive board, and 75% used subcommittees to carry out their work. All but one of the twenty one boards surveyed had a chairman, 75% of them had a secretary and slightly more than half of them had a vice-chairman and treasurer. About half the boards appointed their own members and about 1/3 elected their members and accepted volunteers. Parents were usually the voters at board elections, but a few boards voted on their members. When the board members were appointed, it was usually by the chairman of the board, the vice-chairman or by certain board members.

## Volunteers

Most of the sites used volunteers either regularly or occasionally. Most of the volunteers were women between 21 and 35 years old. The next highest percentage of substitutes were women under 21. The third largest group representated among the volunteers were men between 21 and 35. Slightly less than half of the operators who used volunteers said there were no disadvantages to using them. Those that identified some disadvantages specified that volunteers "need training, they upset the staff, they get in the way and want to do things their own way." Less frequently, operators said they sometimes have problems with volunteers who "ignore instructions, mess up the schedule, upset the children and upset the parents". Some of the other problems operators had with volunteers included: "no continuity...they lack the ability to control and to keep the children's interest...have problems when the children and the volunteers are relatives...undependable...too many personal problems.. don't know if they should correct them on minor things...not as dependable as the paid staff...they are available when they want to be...problem in ensuring regularity and consistency for children...it is a problem when they have to bring in one of their younger children who demands their attention".

Most of the directors, however, said that volunteers were a help to the staff and to the children and said their most important contribution was lightening the staff load.

Some of their other contributions included: "meeting specific needs like those of handicapped children...bringing in special talent, absent in the staff...helping the staff to provide individual attention...helping with transportation...providing new ideas...and providing good ways to get mothers familiar with the program".

From the day care staff's point of view, volunteers were a help to the staff and the children. Only a few of the staff members interviewed felt that the volunteers did not always help. Lightening the staff load seemed to be the volunteers' most important contribution. A little more than half of the day care staff felt that there were disadvantages to using volunteers.

Some staff felt that the greatest disadvantage was that volunteers needed training because they "wanted to do things their own way, messed up the schedule, upset the children and the staff...got in the way and upset the parents". A number of the day care staff said that volunteers were not dependable because they were not paid. Other staff members felt that volunteers did not fit in easily and that they did not know the children, that they had "different attitudes" from the staff and that it was difficult to coordinate the volunteers work.

But many said that one of the greatest advantages of having volunteers was that they provided fresh ideas and were stimulating. Some volunteers were considered to be good substitutes when a staff member was sick. Volunteers also provided transportation, were able to work with special problem children, got other parents involved as volunteers and helped reduce the child-adult ratio which enabled staff to work with smaller groups of children.

## FAP as a Parent Employment Factor

Regardless of all other considerations of the FAP pretest, the fundamental question remained: Were FAP eligible parents either working or in training for employment because child care service was available to them?

The eighty eight parents interviewed had a total of 223 children. Thirteen of those were 16 years of age or older and 210 of them were day care age. Of that number, 133 were enrolled in the sites surveyed. Two parents said they had a babysitter at home for their other children, five said relatives or neighbors were babysitting and the rest of the parents said their other children were in school, too young for day care, lived somewhere else, or were disabled and living in a special home.

About 37% of the parents interviewed had enrolled their children because they were working. Roughly 10% of them were participating in a training program and another 8% said they had enrolled their children in the program because they "felt their children would benefit from the day care activities". The remaining parents had enrolled their children because they were looking for work, were part-time students, or so the mother "could have time for herself".

About 70% of the parents said they worked because they "needed the money". Some of the mothers said they were bored at home, wanted to make friends or wanted some time away from the children. Fifty four percent of the mothers said they would rather work while the rest said they preferred to stay at home. Of the parents interviewed, 56% were married. The others were either divorced, widowed, separated or single. Not all the parents who worked because they needed the money were single heads of households.

About 45% of the parents interviewed had been working at their present jobs from four to nine months. Another large (35%) percentage of parents had been working at their present jobs for more than 2 years. The remainder had been working anywhere from one month to a little more than a year at their present jobs. Fifty three percent of the parents were employed before they enrolled their children and nearly 18% of those had used a day care service before.

About 30% of the working parents obtained their jobs through a government program and 40% of those named FAP. The others said they obtained their jobs through such agencies as: WIN, Mainstream, the Department of Social Welfare, the Employment Service, Head Start, the Vermont Civil Service and the State Police. If any of these jobs were a result of FAP referrals, the parents interviewed did not know that. Employed parents held a wide variety of jobs. They named forty four different categories of employment ranging from a lawyer to a bakery helper. In addition to the most commonly held jobs, such as bookkeepers, clerks, teacher's aides, secretaries, factory workers and typists, some of the other categories included meat wrapper, a professor, laundry worker, mailman, gas station attendant, shipping clerk, beauty advisor, nurse, research assistant, school teacher, waitress, casework supervisor delicatessen manager and bank teller.

Most of the parents worked the entire year and a small number of them worked 6 to 11 months a year. Most of the parents worked between the hours of 7:00 a.m. and 6:00 p.m. Most of the parents who worked part-time said they worked between 8:00 a.m. and 4:00 p.m. Only three working parents had unusual work hours such as 5:00 a.m. to 10:00 a.m., 8:00 a.m. to 9:00 p.m., or 1:00 p.m. to 10:00 p.m.

Many of the parents said they drove their own cars to get to and from work. A small number rode with someone else and only one used the bus.

Four of the parents who were in training were not receiving any money while they were being trained. Four parents were receiving commercial training, five were receiving technical training (such as hospital technician) and six were receiving training as teacher's aides, secretaries and planned parenthood outreach workers. Most of the training was paid by the government but a few employers paid for it, too. The Planned Parenthood organization and a day care center also paid for training. Two parents didn't know who was paying for it. At the time they were interviewed, 30% of these parents had been in training 3-6 months; 24% had been in training more than a year, 20% had been in training 6-12 months and the rest had been in training 1-12 weeks. Most of them expected the training to end within three months and some others didn't know when their training would end. The remainder expected their training to end anywhere from 3 months to a year. While most of the parents expected to be employed when training was over, others said they didn't know if they would get jobs. Only three of them flatly stated that they did not expect to be employed. Some of the jobs the parents expected to get included: Teacher's aide, secretary, elementary school teacher, a satellite home caretaker, medical technician and manager.

Of the site operators interviewed, six did not know the number of its families participating in training programs. Thirteen sites did not have any families with a member participating in a training program. Thirty one sites had at least one family and ten sites had only one family in a training program. The number of families participating in a training program per site ranged from one to 16 families at a given site. The average number of parents in training per site was 4.5. Twenty four sites had families participating in the FAP Manpower

Experiment and Demonstration (E and D) Project. Seventeen sites had WIN mothers using their day care services, four sites had CAMPS parents, two sites had New Careers parents, five sites had Operation Mainstream parents and four sites had Neighborhood Youth Corps mothers using their day care services. Ten sites did not have any parents who were employed and received ANFC. Twenty six sites had at least one ANFC family using the day care services. Fourteen operators did not know if they had ANFC families. The number of ANFC families served ranged from 1-7 families per site with an average of 2.3 families per site.

Nearly one half of the parents interviewed said they did not pay a fee for the day care service, but only six of those specifically identified FAP or Title IV-A as a source of reimbursement to the provider. Eleven parents made "donations" of cash on a regular basis. Six fee paying parents said they also contributed goods and services to the program.

It would appear, then, that parents were working or in training because day care services were available to them: Forty one of the eighty eight parents interviewed were not employed before they enrolled their children in day care. Fourteen of the forty one represent single heads of household (unmarried, separated, divorced or widowed). Nearly all of the forty one parents went to work because they needed money and seven of the fourteen single heads of household also preferred to work. This even split between working and staying at home was also evident in the larger group of forty one. About half of them said they went to work because they needed the money and would rather work, while the others preferred to stay at home but also needed money. Only four of the forty one had their children in day care before they were enrolled at the present day care site.

About half of the parents interviewed said they were working or in training because day care was made available to them. It is interesting to note, however, that according to the Mathematica baseline survey, [1] 46% of the children 0-14 years in Vermont (60,548) are from "baseline population" families (i.e., eligible or potentially/ nearly eligible for FAP benefits) and 32.6% of these "baseline" children (19,744) are in families actually eligible for FAP. 15% of these FAP eligible children (2,960) would have parents who would be required to accept preparation for employment and/or employment to receive FAP benefits. Yet the FAP pretest planners allocated enough money for only 437 full-time children and 501 part-time or before and after school children. The FAP pretest allocations, then, were aimed at supporting only 15% of the potential full-time children and 17% of the part-time children or 32% of the total FAP Day Care Eligible population.

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[1] Mathematica, Volume V, Appendix E, Baseline Survey.

# Chapter 3

## Money

## Chapter 3

## Money

Funding for Vermont's day care pretest in FY 1971 and FY 1972 came from four different federal sources, since the Family Assistance Plan legislation proposed by the President had not passed into law.[1] HEW-FAP planners in Washington obtained the use of SRS funds appropriated under Sections 1110[2] and 1115[3] to meet administrative and planning costs of the Vermont FAP pretest and some of that money was allocated to the development of a FAP child care system. The federal Office of Economic Opportunity became a third source of funds when it transferred $1,034,330. to HEW for provision of day care services to FAP eligible children during the Vermont pretest.[4]

In July, 1972, after work on the FAP pretest had started, Vermont's state legislature authorized $125,000. to provide the state's 25% share of child care costs funded under Title IV-A of the Social Security Act[5], Vermont's fourth source of federal funds. Because Title IV-A was open-ended, requiring only that 25% of a total program cost be shared by a state, this funding came to have an identity and significance of its own. As Vermont's program evolved, children were identified as "IV-A" or "FAP" (funded) and some conflicts developed over differences in reimbursement levels. Proposed FAP legislation originally specified $30.00 per week per child while Title IV-A reimbursed providers at the rate of $24.00 per child per week.[6] When the smoke of battle cleared, FAP had been revised downward to $24.00 where it remained until March of 1972 when the rate was increased to $28.00.

These reimbursement rates and their administrative feasibility were especially important because of the experimental nature of the program. In fact, rate schedules and eligibility criteria received more attention than anything else, dominating the Operations Plan, the FAP Interim Guidelines and Operating Procedures and most of the memoranda and other documents related to the pretest. As the LICD investigation drew to a close in May, 1972, Vermont newspapers reported angry meetings between state officials and representatives of 4-C and day care providers who objected to projected budget cuts plus the transfer of 900 additional children from the Welfare Department's rolls to day care, and their apparent inability to influence these decisions.[1] As the day care pretest neared the close of its second year, state officials announced that all Title IV-A matching funds (25%) would be expected to come from local communities, (through 4-C activities) rather than only 12 1/2% which had been matched by 12 1/2% from the state's general fund.

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[1] See Glossary for FAP legislation.

[2] Section 1110 "Cooperative Research or Demonstration Projects" "General Provisions" Social Security Act, Title XI A.

[3] Section 1115 "Demonstration Projects" Social Security Act, Title XI

[4] See Figure 1, "Program Component Funding of Vermont FAP Pretest: FY 1970-71," p. 129.

[5] See Glossary for a description of Title IV-A.

[6] At the same time, child care programs in Vermont provided reimbursements which ranged from $20. to $32. or more, adding fuel to the flame.

State officials were also worried about financing a statewide day care program without the special funds which had been made available for the FAP pretest. At a meeting with 4-C representatives and day care operators on May 3, 1972, Secretary of Human Services, William Cowles, explained the problem.

> He said it is now certain that Family Assistance Plan funds, which will funnel $960,000 into the Day Care operation for fiscal 1973, will end July 1, 1974, affecting almost half of the children now served in the program.
>
> Predicting that the Congressional welfare reform package will not pass this year, which Day Care planners had been relying on to continue FAP funding beyond 1974, Cowles said it means the state will have to come up with $300,000 in Title 4-A matching funds for fiscal year 1974.[2]

These state level issues reflected realistic concern for resource problems, but equally important expenditure issues found at the operating level seemed to be ignored.

While substantial time and effort were spent on establishing and enforcing compliance with the rate schedules, LICD data show that considerably less attention was given to expenditure and accountability matters. With few exceptions, most state and 4-C personnel shared one characteristic in common--the inability to provide accurate revenue and expenditure figures upon request. The following description of LICD findings reflects that phenomena and includes financial information obtained at interviews.

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[1] Monsarrat, Nick, "Day Care Centers to Get Less Money, More Kids", Rutland Daily Herald, May 4, 1972. See Appendix R-1 for full reprint.

[2] Ibid.

Most of the 4-C leaders were not able to provide detailed information about their income and expenditures. Each 4-C maintained separate records for FAP, Title IV-A, and Parent Fees, but most of them had no record of their day care sites' income or expenditures, even though many said that the sites were "losing money" and needed more funds.

## Site Revenue

Over half of the day care operators interviewed said they did not know how much money they received each year from the following sources: parent fees, FAP reimbursement, Title IV-A reimbursement, Head Start, donated cash, goods or services, or the food program.

Based on figures from the remaining 22 operators, the following ranges are indicative of the amounts received by source:

| Source | Range | Number of sites responding |
|---|---|---|
| Parent Fees | $1,500 - $19,200.00 | (16) |
| FAP Reimbursement | $ 768 - $96,000.00 | (13) (2 received none) |
| Title IV-A | $ 174 - $36,774.00 | (14) (1 received none) |
| Head Start | $ 750 - $24,000.00 | (3) (6 received none) |
| Donated cash[1] | $ 50 - $10,546.00 | (12) (2 received none) |
| Donated space[2] | $ 585 - $12,000.00 | (9) (3 received none) |
| Donated goods[3] | $ 100 - $12,000.00 | (9) (2 received none) |
| Donated services[4] | $ 100 - 8,000.00 | (12) (2 received none) |
| Food Program | $1,100 - $ 7,200.00 | (11) (2 received none) |
| Other (e.g. Matching) | $ 250 - $ 4,680.00 | (4) |

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[1] 8 received under $1,000.00
3 received between $1,000-$5,000
1 received $10,546.00

[2] 2 below $1,000
5 $1,000-$5,000
2 $9,000-$12,000

[3] 6 less than $1,000.00
3 $2,000.00+

[4] 3 under $1,000.00
5 $1,200-$2,000.00
4 $3,000-$8,000.00

## Site Expenditures

The same group provided the following information about their annual expenditures:

| Item | | Range | Average | No. of sites responding |
|---|---|---|---|---|
| Personnel | | $1,500 - 133,000.00 | $28,545.00 | 22 |
| Space | | $ 375 - 7,200.00 | 2,458.00 | 16 |
| Furniture | | $ 150 - 1,800.00 | 475.00 | 11 |
| Equipment | | $ 100 - 3,000.00 | 1,780.00 | 19 |
| Supplies | | $ 25 - 10,539.00 | 1,296.00 | 18 |
| Transportation | | $ 40 - 8,400.00 | 1,607.00 | 12 |
| Telephone | | $ 60 - 6,000.00 | 556.00 | 18 |
| Printing | | $ 35 - 500.00 | 159.00 | 6 |
| Other: | Food | $ 780 - 5,400.00 | 3,226.00 | 5 |
| | Utilities | $ 300 - 1,500.00 | 800.00 | 3 |
| | Insurance | $ 100 - 800.00 | 450.00 | 4 |
| | Audit | 500.00 | 500.00 | 2 |

About 1/4 of the advisory board members interviewed said they knew what the day care site's annual income was from all sources but only 1/3 of them knew how much was spent each year and seemed more knowledgeable about personnel costs than any others.

Most of the day care operators had not received any seed grants.[1/] The nine operators who had, received them, they said, from "OCD", "FAP" or "the 4-C". To those interviewed, the first seed money was granted in September of 1971 for $2,500.00. The largest grant was for $6,734. and the smallest amount was $1,600. The average amount received was $2,635.00. In order to receive the grant, one operator "simply produced the bills and added three rooms." Most "had to meet licensing requirements".

## Employee Compensation

The average gross annual salary for state employees surveyed was $10,755.00 and ranged from $3,900. to $23,000. Nearly all

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[1/] See Glossary for description of Seed Grants the state people were full time classified employees. Most of them said they received the following job benefits: Paid vacations, paid holidays, sick pay and insurance; some received compensatory time off in lieu of overtime, and some received retirement and workman's compensation.

More than half of the Day Care operators interviewed received a salary, but fifteen said they did not and five said they were not sure.[1] The average gross annual salary reported was $5,460.00 and ranged from $1,920. to $8,000. The average take home pay was $316.00 per month with a range of $88.00 to $548.00. Fewer than half of the operators received paid holidays, sick pay, and paid vacations. Only eight received insurance, a few others received social security benefits, workman's compensation, and/or free child care.

Most of the day care operators (about 60%) supervised paid employees. In those sites with paid staff, there were a total of 211 employees in addition to the operators. Only 2/3 of the other employees received extra job benefits, such as paid holidays, paid vacations, and sick pay and only a few received insurance, workman's compensation, social security or free child care.

The following table presents a composite picture of commonly held positions. The data below was obtained from thirty sites which had staff. The average staff size was seven and ranged from 1-32. (See Appendix M)

| Position | Range | Average | No. of Employees |
|---|---|---|---|
| Cook | $1,920 - $4,660 | $3,565 | 14 |
| Teacher or Assistant Teacher | 2,600 - 5,500 | 4,376 | 31 |
| Co-Directors | 2,060 - 2,968 | 2,200 | 4 |
| Secretary/Bookkeeper | 780 - 4,160 | 2,443 | 3 |
| Janitor | 1,248 | - | 1 |
| Aides | 2,080 - 5,000 | 3,547 | 32 |
| Nurse/Teacher | 7,800 | - | 1 |

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[1] Most operators who provided day care in their homes did not keep profit and loss records which may account for this response.

The average gross weekly salary of the day care staff was $68.00 or $3,532.00 a year. Day Care staff salaries ranged from $3.00 1/ to $166.50 per week.

Many staff members expressed concern over the fact that the salaries they received were not adequate for the long hours spent at the site each day. For example, one cook said that she could be paid only for 30 of the 60 hours she worked each week.2/ The average take home salary of the day care staff was $57.21. One staff member was paying off a loan and took nothing home.

Based on the mean average, State officials were earning about twice as much as the day care operators, even eliminating those operators who did not receive a salary. State people earned about three times as much as the day care staffs.3/ About 50% of the State employees were men while 90-95% of the day care operators and staffs were women. Even though most of the state employees had paid vacations, paid holidays, sick pay and insurance, fewer than half of the day care operators and about 2/3 of their staffs received the same benefits.

## Billing Procedure

Most of the state employees interviewed indicated that their agency had developed procedures for dealing in an orderly fashion with billing, expenditures or budgeting.

50% of these employees said they had participated in developing the procedures. Two of the state officials said their agency had not developed financial procedures, and four did not know.

Most of the State Officials said they did not have any problems with the monthly billing or payment procedures and a few had some problems with them "occasionally". Those who said they had problems were key figures in the day care financial system and some of their comments were significantly revealing:

> We're going in about 6 different directions... There is no uniformity...Before the local 4-Cs we had problems...If the 4-C is late the whole schedule falls behind and vendors are paid late...People do a very good job in general...Generally the information is not correct...The delays are due to new people who don't know the procedure...Things are improving with time...Have heard about

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1/ Some employees worked only an hour or two per week.

2/ See Appendix M

3/ See Appendix M-2 and Appendix M-3.

> the problems with billing taking "so much time"...The billing comes in late from the 4-Cs...Some are incorrect and others are continuously incorrect...The procedure developed is not being used, it would work 95% if it was used as written...Things have improved since all the 4-Cs have one contract... Since December 1971...One person had to approve payments to individual homes, thinks now they come from the 4-Cs--not sure...In the beginning the Federal money was late and the staff was just starting...Claims come in late after the 5th of the month...it takes one month to process for the payment...the income and expenditure report is generally incomplete... Incomplete filing by participants...Sometimes the data is late from the field.[1/]

LICD interviewers received varied responses to how the 4-C handled bills from vendors. Basically, most 4-Cs prepared **a** summary report from all the bills received. The report was then sent to the state, which sent the reimbursement money back to the 4-C in one lump-sum check. The 4-C then determined the amount of each site's reimbursement check based on the site's bill.A 4-C record was made and the checks usually were mailed, but sometimes hand delivered when the 4-C knew that an operator needed the money immediately.

The only deviation from this process occurred in one 4-C when it had advanced money to an operator from the 4-C's administrative funds. This loan arrangement helped meet a crisis until the state reimbursement check came through. Two 4-C leaders stated that they sent the bills directly to the state, without preparing a summary report. In the majority of the 4-Cs, the Director was responsible for this process. Rutland 4-C was the single exception. It used the above described system for Title IV-A money, but for FAP money the Rutland 4-C determined the amount to be received by each site, recorded information and mailed the checks when the 4-C received the bills from the vendor. The director and a second authorized person from the executive committee signed all checks. The director did not sign the payroll checks to avoid signing her own. Two members of the executive committee signed the payroll.

Only the Rutland director made a distinction between the procedure for Title IV-A money and FAP money. Perhaps the other 4-C leaders were including both FAP and Title IV-A in the procedure they described. Also, the Rutland 4-C director was the only one who explained in detail how she understood that the Title IV-A matching funds reimbursement system worked: (1) 4-C director approved the bill, wrote a check for 1/2% of the total reimbursement and sent it to the OCD finance officer. The state then returned the money to Rutland in one lump sum. The 4-C then made out checks to the operators. The sum of the checks was usually eight times the amount originally sent in by the site. (That is, the state and federal government matched

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[1/] See Chapter 4 Controls for related details.

the local funds which had been raised or donated by the community according to the Title IV-A formula.) What the other 4-Cs did with Title IV-A was not clear from their accounts, although one 4-C chairperson casually mentioned that Title IV-A funds came in a lump sum with FAP money. The Rutland 4-C Committee had received a "direct grant" to test out financial management at the local level. The objective here was to test a locally controlled financial system with the 4-C Committee responsible for banking its money, determining eligibility, approving payments and making disbursements. The objective was to facilitate the whole 4-C potential by building more local autonomy into an area 4-C.

One 4-C leader felt there were no problems with the billing procedure because they had developed their own system to fill the vacuum of no formalized procedure. This area 4-C leader said they had eliminated all the problems. Another 4-C did not know if there were problems because they had only been through the billing procedure once. Other 4-Cs identified problems with the billing procedure, OCD guidelines, the centers, and the amount of time involved in reimbursing the operators.

LICD investigators were told that the OCD billing regulations were constantly changing. Although some of the changes seemed to help, the leaders said it was time-consuming to relearn and readjust procedures to accommodate to continual changes. For example, the guidelines did not establish a stable method of when and how bills were to be prepared, they said.

An important issue was phrased as a question: Should bills be prepared over the last week-end of the month in order to get an accurate record of the child's attendance or should bills be prepared during the last week of the month, and should they include an estimate of the child's attendance for the remaining days and authority to readjust the bill for the next month if the estimate was incorrect? Apparently, this issue remained unresolved.

One 4-C leader questioned variations in the billing period. Two 4-C leaders stated that the procedure itself was complicated and time consuming with so many forms to be signed, taking time away from more "meaningful" activities. Other 4-Cs complained that the "operators make many computational errors or don't provide the correct information," and that some sites were lax about turning bills in on time.

Most of the day care operators interviewed had developed procedures for dealing in an orderly fashion with billing but thirteen had not. Those who had procedures said most of the help in developing them had come from the area 4-C committee

When the billing system was first started, OCD and the 4-Cs provided most of the assistance. Some received help from another site director. About 30% of the operators thought the explanation they received was puzzling and not useful. According to about two thirds of the day care directors, they did not have any problems with the monthly billing procedure but the rest had problems occasionally. The following comments were made to explain the problems:

> There are constant changes in the guidelines that no one understands, including the 4-C... The local center directors informally confer to interpret the guidelines...The implications (sic) of the bookkeeping is really eligibility of children...leads to uncertainty and backlash to the child service, which may be inherent to a pilot service, but it is hard on the children...It is hard getting the bill in on time because the director considers it unpleasant activity, sees it as a bookkeeper's job...It's a problem having enough time to do it...The procedures change...many small questions not considered in the procedure...the procedure assumes incomes do not change and that hours of employment are constant...the changes in procedures and policies are confusing...past rate changes are on a day's notice with an inadequate description between full-time and part-time children...problem with reserved space billing (a new procedure)...very slow getting funds...sometimes last minute hang-ups that we are not informed about until too late and then the check comes too late...the forms are too confusing, have to go over them with the parents and it is a problem...income verification methods have not been defined... problems with the reimbursement coming late... budget problem, do not have enough money to pay the bills...The forms are not sent out every month so it is hard to remember when we sent in the last bill.

## Time Factors [1]

Generally it took 2-4 weeks for the reimbursement payment to return to the site. About 20% of the sites received their checks more than a month later. Sites said they received reimbursement in less than a week. Three of those six were in the Rutland 4-C area and two were in the Windsor 4-C area which often reimbursed the sites out of a bank account and was later reimbursed when the state payments arrived. The third site came under the Lamoille 4-C jurisdiction. One operator said that it took from 30 to 95 days to receive payment and another operator received payments automatically every week. The day care operators who also had Head Start, FAP and IV-A children in the North East Kingdom did not send their bills to the 4-C but to OCCSA which also received the payments since those centers did not handle their own budgets.

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[1] See Figure 5, p. 223.

The most serious problem the 4-Cs seemed to have with the billing time was not with late payments but rather with the length of time which elapsed between the submission of the bill by the operator and the receipt of reimbursement at the site. According to the system, this time lag seemed unavoidable. A number of 4-Cs, however, said they would prefer having a direct grant to reduce the time lag. It is our understanding, however, that Rutland's direct grant contract model was not considered successful, would not be renewed and was not expected to be replicated elsewhere in Vermont. This direct grant, originally scheduled to expire in May, was extended to June 30, 1972.

When the payment was late, most operators either "just waited" or "did nothing" or "borrowed money." Six operators said they "hound, ask, hassle, badger or track it down" with the 4-C or SOCD. In the Northeast Kingdom the only way the centers knew when the payment was late was when the center's bills were not paid. All of which raised some interesting procedural questions.

Why did some sites wait so long to receive their payments? Were they consistently reporting incorrectly? If so, why hadn't the state or 4-C investigated the problem and helped the sites improve their reports? If the state or 4-C's did provide such assistance why did the problem continue?

Basic problems with the billing procedure seemed to flow from (a) reimbursement/payment time delays, (b) inadequate understanding of the billing procedure and forms, (c) inadequate technical assistance and (d) constantly changing forms and procedures.

In this situation, an operational internal evaluation system might have readily located and identified the problem areas so that remedial action could have been taken.

Figure 5

## Time Factors in Billing and Reimbursement

Vermont FAP Day Care Pretest
Percentage of Bills and Payments by Monthly Cycle.

| Monthly Bills Sent: | 1st-10th | 11th-20th | 21st-30th | Various times |
|---|---|---|---|---|
| Day Care Sites | 50% | | 16% | 34% |
| 4-C | 67% | 33% | | |
| Monthly Bills Received: | | | | |
| State | 50% | 20% | 10% | 10% |
| Monthly Reimbursement Checks Sent: | | | | |
| State | | | 90% | 10% |
| 4-C | | | 67% | 33% |
| Monthly Reimbursement Checks Received: | | | | |
| Day Care Sites | 6% | 9% | 20% | 65% |

LICD
May, 1972

Budget Control

LICD findings pointed to the fact that no one person in the state had a total financial overview of day care revenue and expenditures. Payments were approved without reference to contractual allocations and any LICD request for financial data uniformly set off a search through records that were not designed for ready retrieval. The only exception to this occurred in the Department of Education's special food service program where the account clerk who handled the day care food budget kept accurate up-dated records and easily responded to all requests for information. It should be noted here that the revenue and expenditure charts for fiscal years 1971 and 1972[1] were prepared for this report by LICD staff who pieced the information together from various sources with special help from the SOCD Business Manager.

In the FAP Interim Guidelines, the state imposed a double entry bookkeeping system on the 4-Cs and the day care sites. Since OCD had given little formal training to the 4-C Committees or the site staffs on double-entry bookkeeping, a number of 4-C leaders mentioned the struggle to keep "proper books." A few complained bitterly about the imposition of this requirement and OCD's lack of follow-up assistance. One 4-C Director's letter of resignation included the following comment: "Large amounts of fiscal responsibility given to 4-Cs with little technical assistance. My secretary-bookkeeper and I have been 'stumbling' for a year now, due to a detailed system imposed on us as well as lay people in Centers doing bookkeeping, asking for input, receive a few minutes here and there. Recently asked for this T.A. from an OCD program developer (now termed technical assistant) to do fiscal monitoring of our Center books, informed by her that my secretary-bookkeeper and I should monitor these books!"

In Section III of the Vermont State 4-C Manual, one of the explicit objectives was to "simplify fiscal and review procedures." In fact, the manual urged the 4-Cs "wherever possible, (to) follow the accounting methods being used by the participating agencies." There were no reasons given for the imposition of the complicated double entry bookkeeping system, which seemed to contradict the manual's objectives.

The majority of the 4-C leaders said they knew when the sites had applied for, were waiting to receive, or received money through the routine 4-C reimbursement payment control system. One 4-C had a routine information system to provide this information. One 4-C Project Director depended on telephone calls and "hearsay." Another 4-C indicated that the bills were sent directly to the state and when the money was returned from the state, the 4-C determined the amount to be paid each site, made a record and mailed out the checks.

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[1] Appendix C1 and C2.

Four 4-Cs did not maintain records of the day care sites' budgets and expenditures. The other four which did maintain such records used expenditure reports received from the day care operators and bills in the 4-C file. Three 4-Cs received a copy of the site's annual audit. One 4-C required all its operators to use the same auditor and this was accomplished with some difficulty. In another 4-C, the centers were unwilling to release budget information. State 4-C Manual. despite the clear guidance provided in the Vermont's FAP day care financial management system did not include these major elements and focused primarily on eligibility criteria and reimbursement rates. LICD found no evidence that the 4-C's fiscal reporting was satisfying all participating agencies, that costs were being compared on an equivalent basis, or that donors or purchasers of services were being informed as to what they were receiving for their money.

Allocations vs. Costs

LICD findings verified that resource allocations were based on estimated costs of certain categorical expenditures and could not be correlated with actual costs described in the data. The following list includes cost factors which were not accounted for in Vermont's financial planning for the day care system:

- overhead administrative costs of providing the day care food program by the Department of Education and the State Purchasing Division, Agency of Administration.
- overhead administrative costs of processing day care bills and payments by the Finance Department and State Treasury.
- overhead administrative costs of providing legal services in the office of the Attorney General.
- overhead administrative costs of supervising the day care program by the Agency of Human Services.
- Contributions of people, places and things where the equivalent dollar value could have been computed to arrive at a "real" cost of doing business.

According to the F.Y.'71 HEW-Vermont contract, FAP allocated $834,330.00 for purchase of child care services over a ten-month period for 437 full-time spaces and 501 before and after school spaces at an annual cost of $1,600 per child full-time and $600.00 before and after school. At that annual cost, the weekly rate per full-time child was $30.77. Title IV-A monies were to be used to purchase day care services for 625 children at an annual cost of $1,248 per child ($24.00 per week per child) and before and after school services for 200 children at $600.00 per child.

Title IV-A allocations totaled $780,000.00. The total number of full-time spaces available under Title IV-A and FAP was 1,062. The total number of FAP and Title IV-A before and after school spaces was 701.

Vermont's reimbursement rate was first set at $24.00 per week per child and not revised upward to $28.00 until March, 1972.

The Vermont-HEW contract did not take into consideration the $9.00 difference between the Head Start reimbursement rate and the FAP and Title IV-A child care service rate. As a result, in the centers where all three types of eligible children participated the problem of providing equal child care services still existed in major proportion. The Northeast Kingdom Head Start was losing money in its attempt to equalize the quality of day care services. As a result, there was the possibility of closing all the day care centers. The outcome, however, was a reduction in the day care operators' salary for one month to compensate for Head Start having to subsidize the FAP and Title IV-A children.

When interviewed by LICD staff, eight center directors said their weekly cost per child averaged $30.00. Six other center directors and two home operators costs averaged $24.00 to $30.00 per week per child.

Six other operators of day care homes (including satellite, group homes and caretakers) said their costs averaged between $16.00 and $23.00 per week per child while eight additional home operators said their costs ran between $10.00 and 15.00. About 1/4 of the operators said they did not know what their costs were. As stated earlier, these estimates did not include the costs of donated services, food and money from private individuals, public and private agencies or professional persons. Nor did they include overhead administrative costs of the agencies and personnel involved in providing direct services to the children.

### Comparative Data

At this point, it may be of interest to recapitulate some of the day care cost data from other studies. In Day Care: Resources for Decisions[1] a weekly cost of $39.42 per child in each type of facility emerged from a cost analysis which compared Home Care and a Center for sixty children. Using simulated data, this amount included rent, salaries, fringe benefits, administrative costs and food. Annualized center salaries ranged from $5,000.00 to $12,000.00. Home care salaries ranged from $5,000.00 to $11,000.00.

Kirschner's national survey of the Parent-Child Center Program[2] included the statement that day care cost figures "...do not take into consideration other voluntary resources or services contributed by the community" (p. 31) and noted that the cost of federal administration of the programs was not included in the centers' costs. The Kirschner report contained a weekly per child cost of $42.00.

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[1] Grotberg, Edith, Editor, Day Care: Resources for Decisions, June, 1971, p. 436, funded by the Office of Economic Opportunity.

[2] Kirschner Associates, Inc., Review and Summary of the Parent-Child Center Program, March, 1970, Progress Report #16, funded by OCD-D/HEW.

Another study entitled, "A Guide to Determining Costs of a Child Day Care Center" was prepared by Connecticut's State Planning Council, Child Day Care Task Force. Published in December 1970, the documents listed 18 "cost items involved in Establishing and Operating Day Care Centers" (p. 3). While this list included such disparate items as staff development, linens, parent-center activity fund and food, it did not mention health, transportation or administrative costs or other necessary supportive services.

> In a center which...
>
> o meets all Federal Interagency program requirements,
> o services one group of 15 three-year old children and
> o is open 10 1/2 hours per day: (for example 7:15 a.m. - 5:45 p.m.);
> o 5 days per week; 52 weeks per year, and
> o provides full quality programming...
>
> the first year start-up and operating costs are $50 per week per child; the second year operating costs approximate $48 per week per child. Certain cost items, however, vary widely (e.g., space rental, insurance, utilities) depending on geographic location and/or type and could be less expensive accordingly. Also, the operating cost does not reflect any income such as fees that might be charged and collected for the day care services. By using existing resources, dual capacity personnel, and volunteers, and by increasing size of operation, actual operating costs on a per child basis can be further reduced.1/

Gilbert Steiner's interesting analysis of the costs of day care2/ rests on the assumption that centers are the vehicle to provide service.

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1/ A Guide to Determining Costs of a Child Day Care Center, by the State of Connecticut, State Planning Council, Child Care Task Force, Hartford, Connecticut, December 1970.

2/ Steiner, Gilbert Y. The State of Welfare, The Brookings Institution, Washington, D. C. p. 65.

His descriptive evaluation of the District of Columbia's day care program included these facts: The D. C. Public Welfare Department, for FY 1970, requested $3,254,300.00 in local and federal funds for day care. About three million dollars was budgeted for day care services and the remainder for administrative expenses. The average annual cost per child was about $1,200.00 or about $23.00 per week per child. However, Steiner pointed out that this allocation did not cover the actual costs needed to meet the standards of the Federal Interagency Day Care Requirements.

> The National Capital Area Child Day Care Association estimates costs at almost $2,400.00 per child[1] per fifty-week year. Its standard budget for a thirty-child center exceeds $71,000. Tight-fisted budget examiners might effect reductions, but they cannot be consequential unless the pupil-teacher ratio is drastically revised. Moreover, NCACDCA salary figures are unrealistically low. Head teachers for a thirty-child center are hard to come by at $7,300.00.
>
> If these per child costs of desirable day care are projected nationally, the annual bill for all preschool AFDC children must be figured conservatively at $3 billion.[2]

These and other day care studies concerned with costs of quality child care seem to point to an average of $40.00 per child as a more realistic weekly cost than Vermont's $24.00-$28.00 FAP/IV-A rates.

## Fees/Rates/Costs by 4-C area

Some real confusion about 4-C leaders' responses to our inquiries about fees, rates and costs are described in Figure 6 which reflects responses from each of the eight Vermont 4-C areas.

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[1] This would be $46.00 per week per child

[2] Steiner, Op. cit. p. 68

Figure 6

Fees/Rates/Costs by 4-C Area

| FAP | IV-A | Parent Fee | Other | Cost Per Child |
|---|---|---|---|---|
| Varied according to the center and the number of children | - | - | - | $30 - $32 |
| $28.00 Centers<br>$24.00 Satellite Homes | - | - | - | $24 - $30 |
| $16.00 Caretaker<br>$24.00 Group Home<br>$28.00 Centers | - | - | - | Don't know |
| $15.00 - $28.00 | $24 - $28 | Sliding scale | - | $10 - $25 |
| Don't have one | - | - | - | Don't know. Site lose money at $24.00 |
| $28.00 | $28.00 in center only | Sliding scale | Fees to S.H. varies | $30 - $37 |
| $28.00 | $28.00 in Center only | Sliding scale | $28 other fee paying parents | $30 - $32 |
| $24.00 | none | Sliding scale | - | $30 - $32 |

The wide variations in 4-C responses were also evident in data from day care operators who seemed either confused about the whole subject of reimbursement or resigned to do the best they could with whatever they could get.

Over 50% of the day care operators interviewed did not know the established FAP/IV-A weekly rate per child for day care services. Those who said they did know gave a variety of different rates for each category. About half of the directors said that the rate for FAP was $28.00. Other comments included: "$28 for pre-school and $24 for day care or school age children...$28 for a full time child and $24 for a part time child...$15 to $24".

When asked to describe the major issues and problems with the Fee-Rate Schedules, 4-C leaders said "...sites are not meeting operating costs...at the present funding level, we can only talk about custodial day care--not child development...day care centers' bookkeeping is poor, they don't know how to budget or buy equipment...we can't go on letting Head Start absorb the cost of FAP and IV-A children...too much paper work for the 4-C...best people are administrators; would like to eliminate rubber stamping function-fee computation procedure altogether from the 4-C...need definitions to interpret regulations...operators are losing money...can't offer decent salaries to trained and experienced people in child development...can't even pay federal minimum wages...the people who are working are housewives who want a little extra money, or new idealistic college graduates...good people are not being paid enough...there is a rapid turnover of staff and low morale..."

However, most 4-C leaders did not know what portion of the reimbursement received by each site went into ancillary services, nor did they have any specific data on site income or expenditures.

Two 4-C leaders stated that the Policy Committee established a weekly day care rate per child for child services in their area. Others quoted the official state rate as the 4-C rate. Instances were cited where the fee schedule was creating a hardship on families. One leader said it was "...unfair to judge a person's ability to pay based on his income on paper. A more equitable way would be to use Mental Health's fee schedule based on the amount a person paid in taxes after deductions."

All the 4-C leaders knew the state set the fee-rate schedule. Only three felt they had participated in the rate setting decision, through meetings with OCD. Two leaders said the rates were set in October, 1971, others said February 1972, and another said "about a year ago." Several of the 4-C leaders were notified of the rates from a memo and a meeting with SOCD. One 4-C director said that she had heard of the memo but had to request a copy. One other director said there had been no notification at all, while another learned about the rates by reading "the state's FAP Interim Guidelines manual." 1/

The 4-C leaders interviewed suggested the following changes in the Fee-Rate Schedules: "...should be raised to $32.00...need definition of those getting assistance from ANFC...need training seminars in bookkeeping with trained accountant...eliminate parent declaration forms for parents

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1/ FAP Interim Guidelines and Operating Procedures - Aug. 1971 SOCD, Vermont whose fees have been waived...fees should be calculated on basis of family size and income, irrespective of the number of children receiving day care services...the cost of administering the parent fee system could exceed the amount of money obtained in fees...would like to have an easy reference chart calculating and computing all the 'if...then' situations on the present fee-rate schedule."

Day Care Advisory Boards

A majority of the advisory board members said that the state set the weekly rate schedule for day care sites. Others said the rate had been set by the 4-C, the board or the day care operator. About half of the board members said that the board participated in the decision. These quoted a variety of figures ranging from $2.00 a day per child to $32.00 for FAP. Most of the board members said that the established rate was $24 or $28 and most of them said that the rates were set in 1971 or 1972, but a few said they had been set in 1969 or 1970.

Most of the site board members stated that the amount of the fees and rates were not adequate to meet the operating expenses of the site and commented:

> No profit made, adequate implies some money is made beyond expenses for reinvestment to replace and expand...The cost is about $30.00 per week per child...A mother whose child isn't on State aid cannot afford $15-25. A mother pays $20.00 for two children but the actual cost is $60.00. The deficit is suffered by the Board who pays scholarships...The director says the reimbursement is not adequate because of the hours the center is open...no, but we get by...transportation is inadequate... the fees and rates are too little for the number of children here and also for the number of hours worked...not meeting operating expenses without federal help... officially the fees and rates are adequate but subterfuge makes it so...yes, the fees are adequate but everyone works for $2.00 per hour and makes it possible...Even if all the children were reimbursed at $33.00 the center would be just making it...the fees are adequate if the number of children is consistent but this fluctuates."

Most of the advisory board members interviewed, however, did not know how much the average weekly day care cost per child was at their sites and those who knew said it was between $24 and $28 and a few said more than $30.

## Parent Fees

For those parents interviewed, the average parent fee was $10.63 per week and ranged from $3.00 to $30.00. Of the eighty nine interviewed, a total of 39 parents paid fees. Eight parents paid between $20 - $30, twelve parents paid $12 - $15; nine paid $5 - $9.50; and ten parents paid between $3 and $4.

Five parents donated their time as volunteers to pay for the day care service. Other parents donated food, toys, equipment, and supplies. A number of other parents donated $3 - $5 per week stating this was their contribution to the local match funds. Other parents donated $5, $13, $33 or $51 per month. One parent donated $60 annually.

## Parent Income

Twenty five percent of the parents interviewed grossed less than $75 per week but 50% of the parents took home less than $75 per week. About half the parents grossed between $75 and $99 per week but only 1/3 of the parents took home that amount. About 1/4 of the parents earned a gross salary between $100 and $125 per week but only 1% of the parents said they took home that amount. Only 1/8 of the parents earned a gross weekly salary of more than $125.00. Only a couple of the parents took $125.00 home each week. There were 37 families with two working parents and 60% of these earned a combined weekly salary of more than $125.00. The next highest percentage of two working parents earned a combined salary between $100.00 and $125.00 per week.

Twenty two of the parents received additional income from the government and half of those received welfare payments ranging from $65.00 to $335.00 per month. Four of these received ANFC in amounts which ranged from $62.00 to $138.00 per month. The others received payments from WIN, FAP, the GI Bill, Child Care, Social Security, Food Stamps or the National Guard. Payments ranged from "$30.00 with FAP" to "$400.00 per month with Child Care".

Twenty three parents had a combined salary of more than $125.00 per week, and eight parents were paying between $20.00 and $30.00 per week for day care. There were nine parents with a combined salary between $100.00 and $125.00 per week and twelve parents paid between $12.00 and $15.00 for day care services each week.

Most of the parents paid for the service in cash and a few paid by check. About half paid weekly and 25% paid monthly. The rest paid either bi-weekly or daily, as the children attended.

## Lack of Money

Most of the operators said there were things that could not be done at the site because of insufficient money. Given more money, most of them said they would purchase play and other equipment, supplies and health services-especially dental services. About half said they needed transportation, skilled staff and health services. A small number of operators named a need for more space and more food services. One operator wanted to raise staff salaries and another wanted to hire more staff.

Most of the day care staff interviewed agreed there were things at their site that could not be done because there was not enough money. They said they would purchase equipment and supplies, and then health services and skilled staff, in that order.

The parents also indicated that they would like the site to have more materials and equipment and more health and dental care.

During an LICD visit to a pilot site during the summer of 1971, an operator had pointed out that the tables, chairs and dishes that the day care children were using would all have to be returned to Head Start the following week when that program resumed, and she didn't know where to obtain additional furniture or equipment for the day care children.

The problem of shortages reached a larger audience when, on May 3, 1972, SOCD staff held the previously described meeting with sixty day care operators and 4-C administrators, which was covered by the news media. 1/

## Summary

The most controversial day care issue, still unresolved as this study drew to a close, was projected allocation of limited funds for a day care program that was growing faster than it could be managed. Ironically, although more emphasis had been placed on the control and allocation of money than on any other single element of the FAP day care pretest 2/ general dissatisfaction with fiscal policies and procedures was widespread and could be traced to the following factors:

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1/ Appendix R-1.

2/ Vis-a-vis eligibility requirements, child-staff ratios, fee/rate schedules and billing and reimbursement procedures.

1. In a system which stressed uniformity of reimbursement rates and eligibility standards, there was no attempt to standardize costs. Salary levels fluctuated from no compensation for some day care operators to substantial salaries for administrative personnel. Costs varied from site to site and 4-C to 4-C and seemed to have little or no relation to the sums of money allocated to them.

2. Constantly changing and complicated billing procedures and inadequate technical assistance created time delays for the operators who did not always understand the changes and submitted incorrect or inadequate information. Some sites consistently billed as late as three or four months after the fact because, they said, they'd "forgotten" to include one or two children in a previous bill.

3. Lack of agreed upon understanding of terms such as full-time and part-time led to confusion and conflict, despite the development of state definitions in an attempt to resolve the issue.

4. While complaints were uniformly heard about deficiencies due to lack of money, a $40,000.00 surplus accumulated at the top during FY '72 and generated controversy over whether it should be returned to the State's general fund or used to meet day care costs.

5. Some sites found it necessary to obtain bank loans or to borrow money from 4-C or personal sources in order to pay their bills when reimbursement checks were late. This hand-to-mouth style of operation seemed to characterize Vermont's day care program and, as much as anything, reflected the absence of a "system" to get the job done. Day care providers operated on a week to week basis and only the larger centers with multiple funding sources had some form of annualized budgets.

6. Even though FAP and Title IV-A rates were integrated at the state level, each program continued to be administered independently because of differences in day care eligibility, billing and accounting requirements. Therefore, program integration at the 4-C or site levels was an unrealistic expectation of state and federal decision-makers.

7. Day care providers were expected to maintain a double entry bookkeeping system which would accurately reflect all transactions by funding source. In practice, few operators understood this requirement and, with some exceptions (such as the large centers) kept relatively few financial records.

8. Although the FAP day care pretest objective was provision of child care for FAP eligible families, there was no evidence that employers made financial contributions to support the program.

9. There was no one individual or unit of state government which exercised budget control over day care expenditures, a glaring deficiency in a federally funded state-operated program. Even at the 4-C level, there were no regular updated records of site budgets, reimbursements or expenditures, although a few 4-C leaders attempted to maintain some records of bills for reimbursement.

10. Some sites and 4-Cs affected cost savings through central or joint purchasing, even though there was no statewide system to increase the benefits of such efforts.

11. The major problem with ancillary services was inadequate funding. A number of large and small centers were running deficits due to a low reimbursement rate which didn't cover certain supportive services.

The problem was further complicated when FAP and IV-A rates did not match the Head Start rates. As a result, operators either did not provide equal day care services, or they ran up deficits trying to subsidize the FAP/IV-A children.

# Chapter 4

# Controls

## Chapter 4

## CONTROLS

Vermont day care providers were expected to comply with federal and state regulations and requirements despite the absence of an information system and the lack of a clearly defined delivery system. Only the state licensing process could be sharply identified as a tangible control mechanism.

Through a variety of documents, an attempt was made to impose controls vertically from federal to state, and then to area 4-C organizations and to day care sites.

In order to evaluate this aspect of Vermont's day care operations, LICD staff investigated six obvious areas of control:

- FAP and Title IV A rules, as enunciated in the HEW/Vermont Contract, the Operations Plan, the FAP Interim Guidelines and Operating Procedures and other related federal and state documents;
- Federal Interagency Day Care Requirements;
- Vermont state licensing policies and procedures;
- Vermont day care contracts compliance;
- Vermont day care budget control; and
- Vermont day care program quality control.

Since the exercise of control or enforcement rests upon the assumption that the rules are known and understood, we asked that question in different ways of all persons involved in day care operations, enforcers and compliers at every level. Fifteen of the state officials interviewed said they had a copy of the Federal Interagency Day Care Requirements, nine did not; and two did not know whether they had one or not. Twelve of the interviewees said they understood how to comply with them, six did not. Only eleven of the officials said they were expected to comply with the FIADCR. Two of the officials who said they were expected to comply with the regulations also said they did not understand how to comply with them, despite their long-term involvement in the FAP day care pretest. Two other officials said they did not know if they were expected to comply with them, anyway.

Most of the state officials interviewed had copies of the Vermont Licensing Regulations the Interim Guidelines and Operating Procedures and the 4-C Guidelines. Several state officials also mentioned other regulations in their files, including Title IV A Guidelines, the State IV A Plan, the standards for caretaker (unlicensed) homes, a rough draft of new revised licensing regulations and copies of relevant legislation. Only two interviewees said they did not have copies of any regulations at all. Seventeen of the state officials said they understood how to comply with these regulations; four did not and one wasn't sure. Seventeen said they were expected to comply with them, two said they were not expected to comply and three said they did not know. Two of the officials who said they were expected to comply with the regulations also said they did not understand how to do so. At the day care site level, most of the day care operators said they had a copy of the Vermont Day Care Licensing Regulations, two thirds had the Interim Guidelines and Operating Procedures and about half of them had the 4-C regulations. Most of the operators said they understood how to comply with the regulations and were expected to comply with them.

Only about one half of the directors had a copy of the Federal Interagency Day Care Requirements, but most of them said they understood them and were expected to comply with them. Most of the advisory board members surveyed said they had a responsibility to help their site operators comply with the day care regulations by providing personal assistance informally. Seven of them said they helped by transmitting state and federal regulations to their operators, and six said they evaluated program activities and administrative operations. A few others said they also helped to transmit instructions from the 4-C Committee to the operators.

## CHILD-ADULT RATIOS

Vermont's FAP day care pretest emphasized two major areas of control, money and child-adult ratios. Of these, the latter became the most important element drawn from the Federal Interagency Day Care Requirements.

More of the state officials knew the child-adult requirements in the FIADCR and in the Vermont day care licensing requirements than they did those in the Vermont Interim Guidelines and Operating Procedures. Two officials said they knew of exceptions that had been permitted to the federal or state child-adult ratio, five knew of no exceptions and eight did not know if exceptions were permitted. Twelve officials said they did not want to make any changes in the ratio requirements, and two said they did not know if they wanted to make any changes. Three officials offered the following comments:

> Why should the ratio be the same during all portions of the day when the children's activities vary, such as eating vs. napping?... The Federal Standards should be clearer... The state standards should take into consideration experience and training of the staff...The regulations need definition and clarification for teenagers.

Three considered 1:5 a workable child-adult ratio. Ten other officials commented that a workable child-adult ratio depends on the age of the children.

Other important considerations were mentioned as having impact on a workable child-adult ratio. These included: size of the facility, qualifications and experience of staff and characteristics of the children (i.e. health status, language or speech problems, disabilities, etc.) One person said that no child under two years of age should be enrolled at a center.

At the site level, most of the operators were aware of the child-adult ratio requirements in the Vermont Day Care licensing regulations and about half of them were aware of the ratio requirements in the FIADCR and the Vermont Interim Day Care Guidelines and Operating Procedures. About half the operators did not know if the area 4-C enforced compliance with the federal and state child-adult ratios while about one third of them said that the 4-C did enforce compliance, "by checking and always asking questions." About half the operators did not know if there were any exceptions permitted to the federal or state child-adult ratios and only four said they knew that exceptions were permitted, and they explained:

> One center did not have enough money for staff so they had an improper ratio...One lady was granted a license for two more children because her own children in the 6th and 7th grades were waived from the number of children in the center...The State licensing regulations for a day care home will allow for ten children under special circumstances if approved by the licensing department.

Only 10 directors wanted to make changes in the child-adult ratios. Their reasons included:

> It is better to care for a few adequately instead of taking on too many children... ratio should be set depending upon age, maturity and special problems rather than a flat number across the board...each situation must be treated individually... it should be 1:10...I'd like to see more

> adults per children, children need more but they won't pay you enough to get more... regulations are too stringent for the amount of funds available...child-adult ratios should be based on the number of adults working directly with kids, not the number of adults at the site...funding levels are too low to keep a good adult ratio...for children under two, 1:4 is a better ratio, especially in a large group.

Most of the operators considered 1:5 a workable ratio. About 24% of the directors thought 1:8 or 1:10 was a workable child-adult ratio, however most of them qualified their answers with the following:

> Average out some kids 1:5, 1:10, 1:12 for varying age groups at the site... 1:5 applies to 4 year olds at least 1:6 for 4-5 year olds, 1:7 for kindergarten and 1:8 for 6-10 year olds... depends on the age of the children... need more adults working directly with the children to allow for more program flexibility...at nap time not so many adults are needed...1:4, I could handle four but I need help to work with 5 or 6 children...1:2, because kids nowadays really need help...need ratio for decent program in order to provide more than custodial care...1:5 is about what an adult can handle...I would require enough staff to supervise all areas... want to make sure child-adult contact is high...ratios are good for safety... can't do anything very constructive with more than 5 children...this ratio allows for staff to be freed up to give one child attention when he or she needs it.

When day care site board members were asked about adult-child ratios, most of them said they were aware of the ratio requirements in the Vermont Day Care Licensing Regulations and the Federal Interagency Day Care Requirements. Only about half of the board members were aware of the Vermont Interim Day Care Guidelines and Operating Procedures.

Most of the board members said they helped the site director comply with the federal and state child-adult ratios, primarily by authorizing salaries for additional staff. Other board members volunteered their time or arranged for other volunteers to meet the ratio requirements. One board member said pressure was exerted by the board on the director to hire some more staff to meet the requirement.

Most of the board members said they knew that there were no exceptions permitted, and those who said they were aware of exceptions indicated that those were unofficial and informal. For example, during a crisis, such as staff illness, or "when a staff member's baby sitter does not show up and she brings her other children to work with her". Two of the board members said they were currently considering changes in the child-adult ratio. One board was hiring another staff person and another was recruiting additional volunteers from the ranks of elderly retired persons. Three other board members commented that it was "not their place to change the ratios" because they were "governed by the state" and simply complied.

About one fourth of the state officials said they did not know if the 4-C Committees enforced compliance with the federal and state child-adult ratios. Of those who said they knew, three said that the 4-Cs did not enforce compliance and five others said they did, in the following ways: "limiting the placement at the day care sites...not contracting with facilities that don't comply...4-Cs ask for compliance."

In general, state officials and day care staffs seemed to agree on the child-adult ratio issue. There seemed to be concensus that the ratio depended on the age and maturity of the children, the qualifications of the staff and the types of activities they engaged in. They seemed to agree that a set ratio cannot take into consideration all the above mentioned factors.

In enforcing ratio compliance, the day care site advisory boards seemed to play the most potent and effective role with their ability to authorize the hiring of new staff and their help with volunteers. This was especially important when contrasted with enforcement by the area 4-C or the state, which, in many instances, could only ask for compliance or punish for non-compliance by withholding funds or closing the site.

Compliance with child-adult ratios was difficult to gauge because of the fluid nature of the variables taken into consideration. These included:

1. Child attendance

Identification of enrollees as full time or part time varied widely in the absence of state standards which clearly identified these categories. We found that children were identified as full time enrollees who attended anywhere from five to eight or more hours a day, generally five days a week. Part time enrollees attendance varied from a couple of hours a day, once every week or two, to four hours per day, five days per week. Some children attended sporadically, on an as-needed basis, sometimes full time, sometimes part time.

## 2. Staff attendance

Similar problems existed in attempting to compute full or part time adult attendance, particularly since volunteers were included in the ratio. For example, in attempting to tabulate child-adult ratios at the fifty sample sites, LICD evaluators found the data too unreliable to use, particularly since standardized attendance records and reports did not exist.

## 3. Volunteers

Volunteers were computed in the child-adult ratio and, as expected, had a fluctuating attendance. Nevertheless, we found no evidence of an attempt to grapple with this issue, either in any of the Vermont work or even in the *Federal Interagency Day Care Requirements*, which set forth the numerical ratios but stop short of explaining how to achieve them.

## 4. Special problems

Children who require more adult attention because of age, handicaps or other special considerations, presented ratio compliance problems. At the same time, staff capability seemed either to reduce or to increase ratio problems, pointing up the importance of shared information, useful training experiences and variations in adult roles and responsibilities.

## 5. Activities

Ratios were also affected by facilities, equipment and supplies, since the nature and type of child-adult interaction and environmental factors were said to have a bearing on the number of children each adult could successfully handle at any given time.

A child-staff ratio policy had been developed by the state OCD and approved by the HEW-OCD project officer in October of 1971. This policy specified that:

> (1) Centers are to be allowed to enroll above their licensed capacity. This is to be done gradually and in reasonable increments of new enrollments. This is to promote the fullest use of the licensed capacity by raising the average daily attendance to the limit of the licensed spaces.
>
> (2) An enrollment policy will be required of each center. Required of the policy will be statements and official positions of the day care center regarding vacancies, absentees, and the identification of groups, etc.

A system of enrollment records shall be required of the day care center for their use in the determination of staff requirements and for evaluation by the Licensing Unit in determining compliance and equity of staffing.

(3) The attached chart is the basic numerical formula for staff requirements. Rather than on-site attendance being the significant and observable factor of staff ratio requirements, the formula relies on enrollment records.

The class is not to exceed 15 members age 3-5. (strongly recommended)

A class of up to 8 children enrolled shall require one adult. When enrollment numbers 9 children the class will require a second adult regardless of attendance. If enrollment exceeds 15 a third adult must be added.

| No. of Children in care enrolled | No. of Staff Required for Groups of Children ages 3-5 | |
|---|---|---|
| 1 | 1 | |
| 2 | 1 | |
| 3 | 1 | |
| 4 | 1 | |
| 5 | 1 | |
| 6 | 1 | |
| 7 | 1 | |
| 8 | 1 | enrollment maximum for 1 adult |
| 9 | 2 | second adult required |
| 10 | 2 | |
| 11 | 2 | |
| 12 | 2 | |
| 13 | 2 | |
| 14 | 2 | |
| 15 | 2 | requested maximum no. of children |

It seemed evident from survey responses received, however, that the policy, as stated, either had not been implemented in the field or was inadequate to answer the complicated questions raised by operating staffs.

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1/ Letter from Joan G. Babbott, M.D. to Sam Granato, October 4, 1971.

## LICENSING

Vermont's official interest in day care problems began to take form in 1966 when the state first required licensing of day care facilities by the State Department of Social Welfare.

Due to limitations of staff and other resources, most of the earliest licensing work hours were devoted to foster homes. But even private kindergartens and nursery schools had come under the licensing requirement by July 1, 1970 when day care licensing was transferred from the Department of Social Welfare to the State Office of Economic Opportunity and reflected official recognition of the need for upgrading child care standards.

In September, 1970, under the FAP pretest structure, Rolland Gerhart was transferred to SOEO's day care unit as Chief Licenser. His mission included the development of a statewide day care licensing system and its implementation with a staff of five additional licensers.

By December 31, 1970, Mr. Gerhart had completed a new set of licensing standards to cover day care, kindergarten, nursery school and what Vermont calls non-recurring day care services, i.e., temporary care for children of seasonably employed parents.

By February, 1971, a central index was set up with a master control but new problems surfaced. For about six months, there had been considerable clerical staff turnover, with obvious effects on routine clerical posting and other secretarial functions. The master index, as a result, suffered a temporary delay in the absence of an office procedure which could have deployed personnel to maintain the file. It is worth noting here, incidentally, that this licensing file was the only state record of all known day care sites in Vermont and contained all the statistical data available, except for the caretaker (unlicensed) homes.

The philosophical intent of the licensing system, as stated in the licensing division's literature was "to promote the philosophical and legislative intent of providing good physical care, responsible supervision and wholesome growth and educational experiences as outlined in the 1966 Day Care law."

The licensing procedure in Vermont was a simple direct system aimed at promoting the active participation between applicant and licenser and the use of a minimum number of forms. The system used very few forms and those were easily read and completed. According to the Chief Licenser, this method "promotes and identifies the likeness of ideas, expedites the correction or resolution of problems, and prompts mutual confidence in both the system and persons involved." 1/

An application form begins the licensing procedure. 2/ As a rule, a prospective applicant has had some informal contact with a licensing official to learn how to apply.

> The completion of the application is construed by this office to mean that the day care facility is in fact ready for the licensing investigation and has as far as possible complied with all regulations and standards for day care licensing. 3/

The first obstacles of any magnitude after application were two mandatory inspections: 1) Environmental Health; and 2) Fire and Safety. 4/ The former was conducted by an Environmental Sanitarian from the Environmental Health Division of the State Health Department, the latter by a Building Inspector from the Fire Marshall's Division of the Department of Public Safety. Both of these inspections had to be satisfactory or the application was rejected at this point.

If the application was rejected for failing either of these inspections, the applicant had the option of correcting deficiencies to comply with the regulations and then requesting a re-inspection. Each applicant received copies of both reports and a descriptive letter of findings from the state licenser. These materials were designed to point out the areas where regulations were not met, and to specify the particular remedy for each failure. At the option of the inspector or licenser, the re-inspection could be concerned either with the regulations in question or with a more comprehensive re-investigation.

When all the materials were in, the licensing unit issued a document in which the judgment of the licenser resulted either in granting or denying a license to operate a day care site.

There were three different types of licenses which could be issued: Regular, Provisional and Special.

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1/ Document#9 Licensing System, Child Day Care Licensing, Rolland C. Gerhart, Jr. p. 3.

2/ See Appendix D-1 for a detailed flow chart of the licensing process.

3/ Child Day Care Licensing, Rolland C. Gerhart, p. 1, Licensing Procedure Document #10.

4/ In FY '72, the licensing division had one Fire Marshall and one Sanitarian available for every 200 applications.

> 1. When all standards and regulations are met, a Regular license is issued. The license is for one year from day of issuance unless otherwise indicated.
>
> 2. When, in the judgment of the licenser, the facility and staff is (sic) considered safe and adequate for a day care service, but does not meet all the standards and regulations for day care, a Provisional license may be issued. A provisional license is granted to applicants who intend to follow all the standards and regulations for licensure.
>
>    A provisional license my be in effect no more than one year...(a provisional license) gives the child day care service time to meet all standards and regulations while in operation. Failure to succeed in meeting standards and regulations within the period of the provisional license will mean review of the license. If within one year the standards and regulations which were originally unmet remain unmet, a regular license will not be issued.
>
> 3. A Special license may be issued to permit certain exceptions to the standards and regulations for child day care. These exceptions shall not be made to regulations which guarantee a minimum of health and safety...special licenses are issued only when there is reason to believe the exception is in the best interest of the children served. 1/

Theoretically, observation of the child care service follows licensing in order to evaluate the effectiveness of the program, its staff, and the adequacy of the physical plant and equipment. The day care licenser may or may not, at his or her discretion, make an appointment to observe the program in operation. The applicant and staff of the child care service agreed to and should have been prepared for a visit by the licenser at any time. In actual practice, however, Vermont's licensing staff spent very little time evaluating program effectiveness.

One other fact deserves special note here. As of this writing, Vermont had no legal appeals procedure to accomodate a rejected licensing applicant. However, LICD staff did obtain

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1/ Op. Cit., p. 3.

a copy of "what most likely will be our procedure" from the Chief Licenser.

Interestingly, when state officials were asked if there was a licensing appeals procedure, four of them said there was, four said they didn't know and only one said there was none.

It should also be noted here that the licensing staff was reduced to three field licensers from five during the second half of FY '72, despite considerable public pressure for more day care sites in Vermont.

## The View from the Sites and the State

LICD's inquiry concerning the licensing process covered the State, the 4-C areas and local sites. At the local site level, questions concerning licensing were asked of the fifty site directors. At the State level, we interviewed three of the four state licensers (the fourth was unavailable), the Fire and Safety Inspector 1/ and the Sanitarian as well as other state officials directly involved in the day care system.

Of the fifty sample sites, the preponderance of them held a regular license. Generally speaking, the operators were aware of their licensing status although, in a number of cases, there was some confusion, most of it confined to sites which were in a transitional period of moving into a new facility, having their license renewed or changing the status of their license.

If any system is to operate effectively, adequate communication is a top priority. In order to get a picture of site contacts with State licensers we asked the following question: "How often do you communicate directly with the State day care licensers?" The response, in general, was "very little". Of the total respondants, fifteen answered "seldom" and twelve said "monthly". Ten directors indicated that they never had any direct communication or that communication was once per year at license renewal time. This lack of communication could be attributed to a small licensing staff which covered the whole state.

One particular site described a problem which pointed to a lack of communication within the state OCD itself. This small day care home operator had applied for a license to care for children after receiving literature in the mail which promoted the need for homes. Within 4-6 weeks, she was licensed, after installing a fence to comply with licensing regulations.

After attending a one week training session conducted by the State, she waited in vain for children to be assigned to her home, all the while continuing to receive literature on the "pressing need" for day care sites. Nevertheless, she

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1/ Title: Building Inspector

was never assigned any children to care for despite her further inquiries. Eventually, the licensing division renewed her license. Finally, after making further inquiries without success, she accepted a job and "gave up on day care." Futher, this site was included on the current licensed day care list used by LICD to select sample sites for this study.

According to the licensing procedures as published in Vermont, the decision concerning the issuance of a license to an applicant will be made within thirty days. When site directors were asked "How long did it take for your site to be licensed after submitting an application?" five answered four to six weeks, fourteen answered more than six weeks, ten responded that they didn't know while twelve indicated that they were granted a license within the thirty day period.

On the State level, of the ten people responding, only one answered between two to four weeks. Five indicated they didn't know, and four answered that it took six weeks or more. One licenser answered that the average time was six weeks, but that in many cases, "vendors and licensers just give up in disgust" over the amount of time it takes to get a decision from the State. Another respondent told us that some places have waited up to one year and some "just give up." Many times, these delays were blamed on the lack of staff.

Despite what appeared to be problems in timing and communication, when asked "Do you feel that the licensing regulations are reasonable?" thirty-two directors answered yes, and only nine answered no.

In answering questions which were designed to evaluate their understanding of what the licensing process should be, with few exceptions the State licensers seemed to be fully in agreement. We asked, for example, if "the site operators (are) notified of license approvals and/or rejections in writing?", which, according to the regulations, should be the case. Seven out of the nine respondents answered "yes" with only two answering "don't know." Other questions, concerning the length of time a provisional and/or regular license may be in effect, and how long it takes, after all standards and regulations are met, before the license is received by the vendor, were answered with equal unanimity and understanding by all state officials. This is important to remember in view of the fact that problems may not have stemmed from the standards themselves, but rather from management deficiencies including insufficient staff.

Of the two field licensers interviewed, both had Bachelor's degrees and were earning an average of $9,700 per year. Both indicated that most of the training they received was obtained from using the Thiokol training manual and acknowledged that it had "not much to do with licensing." The two licensers interviewed were split evenly on the need for further training.

Biggest complaint of the licensers was their inability to effectively do their job due to the shortage of staff and the resulting increase in the workload. For example, one licenser, who felt more training was needed, also felt the need for increased staff. He indicated that he had "six counties to cover and can barely keep up with workload". Because he could not consult with site operators, his time was relegated to "trying to put out fires instead of anticipating problems".

The other licenser indicated much the same concerns. "We need more consultations with site directors--but can't be done with existing licensers". In addition, both licensers told us that there was no training as such for the staff "to help them deal with problems of the sites".

The cutback in staff also impacted the state's ability to monitor sites for compliance with regulations after the license was issued. Nevertheless, the Chief Licenser expressed a strong desire to move into compliance monitoring.

Vermont had one Building Inspector working for SOCD day care, on loan from The Fire Marshall Division in the Department of Public Safety. With less than two years of college experience and no special preparation for the job, his only "training" was a "bull session every Monday in the Fire Marshall's office".

The other half of the technical inspection team was the Sanitarian who inspected facilities to make sure they complied with all state health regulations and codes. A sanitarian trainee from the Environmental Health Division of the Vermont Health Department, he was a WIN trainee in the FAP program.

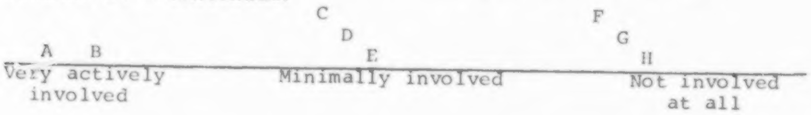
His background included some courses as a music student. The sanitarian received some training after he began working in day care, attended Health Department classes on sanitation and some staff meetings for environmental health assistants. By his own standards, these experiences were inadequate and he expressed the need for more training. When interviewed, he was taking correspondence courses on his own initiative with HEW in Atlanta, Georgia. In addition, he was attending classes with the National Association of Sanitarians every two months. He said that attempts to have the Health Department review his reports and to provide him with technical assistance had ended in frustration.

It would appear then, that the Vermont Health Department assigned an inexperienced trainee to the day care program without providing adequate supervision, technical assistance or training to ensure the highest quality of performance.

Judging from the background and training of the inspectors plus the decreasing staff of the day care licensing division, it did not appear that Vermont placed much importance on the licensing process or the role that it was designed to play in the delivery of quality day care.

## The View from 4-C

4-C involvement in the licensing process can be demonstrated on a continuum:



The level of their involvement seemed to depend on the 4-C's interest in licensing, their relationship with the licensers, and their knowledge of and attitude toward the licensing regulations. The following are profiles of each 4-C describing this involvement with the licensing process.

One 4-C leader was a friend of the state licenser who lived in the same town so they informally communicated whenever a licensing situation arose. For example, when the renewal of a site license led to its suspension, the licenser notified the 4-C which provided help to the site to obtain a license.

This 4-C leader took licensing very seriously because she saw compliance with licensing regulations as a step toward quality day care. In this same area, the 4-C closed down one site temporarily when the operator refused to get a license. When an operator was discovered to be functioning without a license, the same 4-C leader told us she went to the state Attorney General's office to see what could be done.

Another 4-C leader established a working relationship with the licenser in that area through informal communications.

One other 4-C leader was more active in following up licensing activities than in helping operators initially with applications. This 4-C director said she had established a good personal relationship with the licensers who provided the 4-C with status reports and fire and health reports for each site in the 4-C area.

One 4-C leader saw the licensers weekly on an informal basis. Here, too, the licensers asked for the 4-C leader's opinion regarding licensing applicants, then followed through by providing the 4-C with informal information regarding the status of licensing activities in that area. Otherwise, this 4-C was not actively involved with licensing of its sites.

Another 4-C organization obtained most of its information from the state's chief licenser and tried to remain informed about licensing activities in its area, but did not become directly involved with the operators. When problems arose, the 4-C director "discussed" the problem with the site operator and the licenser.

To another 4-C leader, licensing was "not a priority" concern. This 4-C transmitted the regulations to the operators, but never saw the licensers and was "notified" when a site's license had been suspended or withdrawn. When asked if this 4-C was aware of any sites operating without a license, the response was "I hope I wouldn't know!" This 4-C leader didn't know how sites were notified of licensing approvals and didn't know the most common reasons for rejection of licensing. This leader complained, however, that there were no definite regulations with specific instructions about what should be done in all cases. For example, the need was expressed for a full explanation about renovating buildings since the interpretation of the regulations varied with different inspectors.

The minutes of one 4-C Policy Board meeting contained the following:

> There was lengthy discussion on the problem of meeting the fire and health requirements. There was feeling expressed that although the laws were reasonably stable their interpretations differed according to the inspector... suggested it might prove expedient for 4-C to retain the service of an architect who could work on the problem with the State inspectors. 4-C feels, as a group, it cannot afford to learn by its mistakes and needs some guidelines. It was suggested the State FAP people might find money to secure this service since the local 4-C lacks resources.... also suggested making legislators aware of this problem might be advantageous. The 4-C Director assured the group (the state) was aware of the problem and had been meeting with State inspectors.... It was important to get as many signatures from the State as possible as material can be interpreted in many different ways by different people and the turnover in personnel in the Fire and Health Department can really upset a Center's budget.

Another 4-C received most of its licensing information by "word of mouth" either from the day care operators or occasionally from the licenser. Although this 4-C leader formerly licensed foster homes, she was not sure who should be licensed for day care and said she "never got a straight answer from the state." In this area, the day care centers seemed to be more actively involved in providing the regulations to Satellite Homes than was the 4-C committee.

Another 4-C leader never saw the licensers, had nothing to do with the licensing of sites, and did not know if sites in that area were licensed or not.

As one 4-C leader said, "life in Vermont is very informal", which may be the case, and there is much to be said for conducting business in an informal manner. But it would seem that a certain amount of formality may be necessary when dealing with licensing regulations and requirements.

In its "Licensing Procedures", the State of Vermont was very clear that "....except for unusual extenuating circumstances, all applications will be acted on and a license granted or denied within thirty days of the receipt of application". This particular provision apparently was never made clear to 4-C leaders. When asked the question: "How long does it usually take a day care site to be licensed after submitting an application?", only one responded that it would take between one and four weeks. The remaining seven either didn't know or felt it was more than six weeks. In response to a question concerning the most common problem found by the State for rejecting a licensing application, the only reasons given were either health, safety or the inadequacy of the facilities. The most frequent answer given, however, was "don't know".

In general, there were some interesting 4-C responses to our licensing questions. Most people said that there was "no such thing" as operating without a license with a legal waiver. Another group indicated that all sites had temporary or provisional licenses and did not know of any sites with permanent licenses. Others expressed confusion about the difference between a temporary, provisional or special license. One 4-C leader stated that there was "no such thing as a special license."

There were a variety of conjectures, most of them inaccurate, about the length of time a site could operate with a provisional license. One leader indicated that sites had provisional licenses for one year and maybe longer. Another said "maybe a year--we've had them a year." Still another indicated that the length of provisional licenses varies:"They can go on indefinitely," adding that provisional licenses get renewed and circumstances can cause these renewals to be repeated. This person also said "there is a provisional license for health and one for fire."

Many 4-C leaders said they believed that it took anywhere from two weeks to six weeks for a day care site to be licensed after submitting an application, although two people did not know how long it took to become licensed. Many 4-C leaders indicated that the timing depended on two factors, what the site needed to meet the licensing requirements and the schedule and workload of the licenser. In one area, the licenser often approved a temporary license during the first visit to the site.

When asked if site operators were notified of license approvals and rejections in writing, six 4-C leaders answered "yes" while two indicated they "didn't know." Similarly, when asked if the 4-C Committee was directly involved in the notification to site operators of license approvals or rejections, seven leaders answered "no," while one answered "don't know."

Answers to the following question reflect the informality of the information process:

"Do you know when a day care site

(a) receives a license?
7 (yes) 1 (no)

(b) receives a temporary license?
7 (yes) 1 (no)

(c) is rejected upon application for a license?
4 (yes) 3 (no) 1 (doesn't know)

(d) loses its license?
6 (yes) 1 (no) 1 (hasn't happened)

(e) is being monitored for compliance?
4 (yes) 3 (no) 1 (hasn't happened)

(f) is operating without a license with a legal waiver?
3 (yes) 2 (no) 3 (never occurred, or never heard of it)

(g) is operating without a license and without a legal waiver?
3 (yes) 3 (no) 2 (never heard of it)

Safety and inadequacy of facilities were identified as the two major causes for rejection of a licensing application. Trailers or mobile homes were not licensed and some leaders expressed displeasure about that.

According to one 4-C Board President who used to license foster homes, the day care licensing requirements had changed three times in Vermont, each time that licensing was transferred to a different agency. First, the Social Welfare Department, then SOEO and then SOCD. Many of the same people were involved, but with each change they were able to get into new positions "with better salaries." However, the definition of who was to be licensed, remained unanswered.

The final question in the LICD licensing survey concerned 4-C involvement in site monitoring. It read: "Is your 4-C directly involved in monitoring sites that are correcting deficiencies to meet licensing requirements?" Only three leaders answered "yes" while five answered "no". The fact that so few 4-C's were involved in monitoring may be significant to the achievement of efficient licensing.

According to the Vermont Child Care Service Contract, the 4-C must:

> Arrange for child care services to be provided by child care vendors licensed by the State of Vermont and in conformance with Federal Interagency Day Care Requirements or by 4-C and OCD approved caretakers.

The Federal Interagency Day Care Requirements stipulate that "day care facilities must be licensed or approved as meeting the standards for such licensing...Requirements of licensing authority in a state cannot be waived by the Federal regional office...The facility and grounds used by the children must meet the requirements of the appropriate safety and sanitation authorities." Finally, "The basic responsibility for enforcement of the Requirements lies with the administering agency. Acceptance of Federal funds is an agreement to abide by the Requirements. State agencies are expected to review programs and facilities at the local level for which they have responsibility and make sure that the Requirements are met. Noncompliance may be grounds for suspension or termination of Federal funds."1/

Based on our findings, it seems evident that the state licensing system did not build in a role for the 4-C area committees at any step of the process, despite the shortage of state staff and the need to monitor for compliance.

## The Caretakers

Since 1966, state licensing is required of every Vermont facility which cares for children of more than two families. This provision exempts some home care operations which otherwise may meet minimum FAP child care standards. Early in the pretest, there was considerable controversy over FAP reimbursement of parental optional selection of unlicensed home facilities to locate day care quickly.

This problem, with its roots in the custodial versus developmental controversy, was sharply evident in the Burlington-Morrisville E & D manpower project area, with its concentration of unlicensed sites.

In response to expressions of concern, the Vermont Office of Child Development issued a "Caretaker Appraisal Criteria" paper in December, 1971. As its transmittal memo states, "the materials and equipment required for Caretaker Approval are listed as basic and minimal." 2/

Since the caretaker homes fell outside the jurisdiction of the state licensing system, LICD investigators attempted to locate and identify Vermont's system for enforcing compliance with the standards set forth in the "Caretaker Appraisal Criteria" paper.

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1/ FIADCR, Op. cit. pp 2-3

2/ Appendix D- 3

As a first step, we decided to include a proportionate sample of caretaker homes in the fifty sites to be surveyed.

The first problem experienced was trying to obtain a list of the unlicensed sites. After numerous requests by letter and telephone it became evident that there was some reluctance to provide the information. Eventually, however, persistence was rewarded as we learned that all of the caretaker sites were concentrated in two 4-C areas and the lists became readily available. Even then, when we telephoned to arrange appointments, we learned that several caretaker homes on the 4-C lists were no longer providing day care services. Eventually, however, we included six representative caretaker homes in our fifty site survey.

### Personal Characteristics of Caretakers

Three caretakers were over 50 years of age, one was between 21 and 35, one was between 36 and 50, and one was under 21. All of them had children and only one had a child who worked as a volunteer in a day care program. None of the children of the other caretakers were involved in any way in the day care program. Most of them had found the job through a friend, relative or neighbor. Only one had found the job through the employment service. Most of them lived in Vermont all their lives, but all had lived in Vermont more than five years.

Three of the caretakers had finished elementary school, two had finished high school and one had a Bachelor's degree. None of them had received any special training, and most of them did not feel that they needed any more training for their work. One caretaker expressed a desire for training in child development and said she read anything she could find, including her daughter's text books.

Most of the caretakers had experience only with children in their own homes. Only one caretaker had experience with children in a day care center.

Only one caretaker had emergencies that occurred frequently. Others said that the emergencies that occurred most frequently were a child's accident or illness, or the lack of money to pay bills. Only two caretakers had emergency cards and medical information on file. Each of them followed different procedures when a child became ill or had an accident. One called the parents, another, the family doctor, another called a neighbor and the 4-C, and one took the child to a doctor, hospital or treatment facility.

Most of the caretakers had their homes rennovated, but none of them said they had done it to meet licensing requirements. Most of them planned to make additional rennovations. Two of them mentioned that they wanted to fix up the outdoor space. Three homes needed improvements but the caretakers said they could not afford to do the work. Two wanted to fence in their yards, and one wanted to hook up with the city water supply because she had no running water and had to carry drinking water from nearby houses. This situation raised serious doubts about the enforcement of the caretaker standards since it was in obvious violation of paragraph 9 of the "Caretaker Appraisal Criteria" which says "The home must have running water and toilet facilities."[1]

All of the caretakers provided food services, usually breakfast, lunch, snacks and dinner. One caretaker said she paid for the children's food out of her own pocket. The others did not know how the food was paid for. Only two said that they were satisfied with the food service while others did not reply to that question. Only one caretaker said that there was not enough help from the state with food but the others said they did not have any food problems. Three of the caretakers had not developed procedures for dealing with billing, expenditures and budgeting. The other three said they had developed procedures with help from the 4-C. One caretaker said that the 4-C did the work and had explained the billing system. Two thought the explanation was helpful and adequate, one thought the explanation "was a bit puzzling." Only one caretaker had problems with the monthly billing procedure. None of the caretakers used the Fee Computation form. Two caretakers used the monthly billing report but one said that the 4-C used it. One thought the report was useful and only one caretaker kept attendance reports.

On the whole, the caretaker sites seemed to be on the fringes of the system--somewhat involved in the payment process, but rather isolated from most of the busy day care activity in the rest of the state. At the time of this writing, state day care officials said they were reassessing the use of caretaker homes while 4-C leaders seemed generally agreed that all day care sites should be licensed in the best interest of the children.

## Contracts and Budgets

State officials originally executed several different contracts with 4-C organizations, one for each type of special funding.

As a follow-up, each 4-C organization then contracted with site operators for the delivery of day care services.

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[1] Appendix D-3

All of the contracts used in the day care process were either a product of the state Attorney General's Office (State/4-C) or had been approved by that office (4-C/site). The documents were brief and to the point, but difficult to administer because each dealt separately with a single issue.[1]

Each contract had its own time frame, work requirement and budget. This cumbersome arrangement eventually was replaced by a single child care service contract which consolidated and superseded all the others. Except for the Rutland 4-C Direct Grant contract, which was simply amended to extend its life to the end of June, 1972, each of the seven other 4-C child care service contracts were identical in their language, although funding levels and budgets differed. Five of the contracts ran for seven months and two of them for eight months to establish a single termination date, June 30, 1972, which conformed to the state's fiscal year funding from HEW.

With respect to its control implications, the Child Care Service Contract defined a "Vendor" as a state licensed child care service provider and a "Caretaker" as: "...a child care service provider legally exempt from State of Vermont child care licensing regulations but required to meet minimum approval criteria as set forth by the Office (of Child Development)".

In paragraph 9, the contract stated:

"The Corporation (4-C) shall arrange for child care services to be provided for eligible children by child care vendors licensed by the State of Vermont and in conformance with Federal Interagency Day Care Regulations or by Corporation and Office (SOCD) approved caretakers...."

As written, this paragraph specifically excluded "caretaker" providers from compliance with Federal Interagency Day Care Requirements, despite the language of that document which requires unlicensed day care providers to "...meet the standards of licensing applicable in the State."[2]

The separation of "vendors" from "caretakers" raised serious questions of quality control since the Caretaker Appraisal Criteria document was a statement of standards which were not built into a system to monitor for compliance, such as the licensing process, for example.

In accordance with the FAP concept, the Child Care Service contract identified the State-4-C objective as the development of a "...community coordinated program of child care services for families..."

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[1] i.e. FAP Services, IVA Services, Seed Grants, FAP Planning Grants, etc.

[2] op. cit. p. 2

As described elsewhere in this report, the Vermont 4-C's focus, at the time of our inquiry, was on children rather than families.

One problem, then, may have developed around how to monitor this contract for compliance when there seemed to be disagreement with the family-centered concept, as reflected in the 4-C's activities, records and statements of its leaders.

Finally, paragraph 1 specified that "Substantive regulations" which are a "...supplement to this agreement and are binding upon the corporation (4-C)..." "...have been issued...."

These substantive regulations were identified in the contract as "(Office of Child Development Child Care Program Guidelines and Operating Procedures dated November, 1971.)"

In fact, the only program guidelines in existence during the period of the LICD study were the FAP Interim Guidelines and Operating Procedures, issued by the state OCD in August, 1971. It may be that the writers of the contract intended to issue a revised version in November but, as the contract stood at the time it was signed, the document referred to as "binding upon the corporation" did not exist.

This relatively minor point is made here, not as a nit-picking exercise but as an example of misinformation in a legal document which required compliance.

In another area, all of the contracts included categorical budgets, but LICD staff found no system of budget control. In the course of our investigation, we learned that bills for FAP and Title IV A reimbursement were approved for payment at every level without reference to financial allocations by 4-C area or contractual stipulations. The only point of control was at the last step of the payment process when staff of the state treasurer verified the bank balance before signing the reimbursement checks. This lack of fiscal control meant there was no readily available information on how much was spent for what-or when--or how much was left, except in the big pot of money at the state treasury. However, state officials were aware of the problem and had begun to develop a budget control system by April, 1972.

## Program Quality

The LICD/HEW grant for this study stipulated that LICD would evaluate "how well" the day care operating system functioned to provide quality day care services for FAP eligible children. It was agreed that Vermont staff would provide program quality assessment data to LICD for incorporation in this report. Part of the stated rationale for this procedure was to increase the state's capability to evaluate its own program. LICD was to provide some technical assistance to Vermont in the development of program quality indicators.

Several months after the LICD investigation began, Vermont's program quality assessment task seemed to be sinking lower and lower on its priority list. Several alternatives were considered and rejected, including an LICD program quality assessment as an additional task.

In order to resolve the problem, a meeting was held in Washington in early January, 1972, attended by representatives of the OCD/HEW Evaluation Branch and Day Care Unit, the LICD Project Director, and the Chief of HEW/OCD Day Care Unit who was also the federal Project Officer of the Vermont FAP Child Care pretest.

At that meeting, the HEW Day Care Chief, Sam Granato, outlined his specifications for Vermont's program quality assessment. It was agreed that the LICD Project Director would communicate Granato's specifications to Vermont, would attend a special meeting with Vermont and Washington staff in Montpelier later in the month and would provide technical assistance in the development of program quality indicators on request of the state.

This plan was followed and Vermont's Chief Licenser was assigned to complete the task of its data collection and assessment.

Granato's specifications were explicit:

> "Vermont OCD will limit its assessment of the FAP day care program to the following question: Is the day care site meeting the minimum standards identified in the Federal Interagency Day Care Requirements issued in 1968?"
>
> "1. It is expected that answers will fall into two categories.
>
> Yes. (100% compliance)
> No. (less than 100% compliance)
>
> " 'No' responses will require additional explanation (i.e.: which requirements are not being met, why not, etc..)"
>
> "2. Program quality indicators will be limited to those items in the FIADCR which concern day care providers at the delivery point only (i.e., sites)"
>
> "3. Program quality indicators will be limited to those items in the FIADCR which can be easily quantified and related to the operating system".

In addition to that methodological requirement, Granato also specified that

> "1. Adult-child ratio counts will include actual attendance on the day of the site visit plus the average weekly or daily enrollment figures for that site. Evaluation of this data will be based on Granato's interpretation of over-enrollment to achieve average ratios.
>
> "2. Homes and centers will constitute the major categories to be surveyed.
>
> "3. At least 60% of the fifty sites surveyed must have received 'seed' money or start-up grants which can be associated with FAP needs."1/

Given the constraints of the task, the Chief Licenser, Rolland Gerhart, developed a questionnaire which followed the FIADCR format, with a few modifications. After Granato had approved the use of the form, several state employees participated in a brief training session and went into the field to collect the data. The results of this effort were summarized in Gerhart's report which is reprinted in full as Appendix P.

The report is, on the whole, self-explanatory. It reveals the difficulties encountered by Vermont staff in following the rigid specifications laid down on them. Gerhart's introduction also reflects disappointment with a methodology which did not produce much substantive information about program quality.

On the other hand, since it was a Vermont staff decision to use the FIADCR format and phraseology, it seems unrealistic to find fault with that document for its "lack of clarity" or "vagueness."

Regardless, evaluation is not a test to be "passed or failed;" it is a management tool which gathers data regarding process and product of a program in order to affect decision-making. In other words, evaluation attempts to measure how efficiently and effectively an organizational system moves toward its end results and how well it actually does accomplish those results.

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1/ Program Quality Assessment, Working Outline, January 14, 1972.

Therefore, in the judgment of LICD staff evaluators, the information gleaned from the FIADCR compliance "test" was inadequate for purposes of determining achievement of program quality. In fact, the limitations of the technique did not even produce meaningful information about FIADCR compliance for the reasons given by Gerhart in his report:

> ...failures could and did occur at 99%, 90%, as well as 0% compliance, but that all scores less than 100% have been noted as failing...
>
> This severe testing and scoring criteria multiplies and exaggerates the significance of any reasonable human error such as unresolved controversy and interpretation of the rules, the intent of the instruments questions and the evidence code, to unusual consequences. It leaves no room for a usual or reasonable instance of error. One instance of error in one section of the entire instrument is enough to fail the whole...
>
> The Evaluation Instrument is a single document that did not speak to the differences of maturation of the services it tested. Being a single test instrument it required the same level of performance of services hardly born as it did to those in early infancy, and in Vermont no service is more than three years old...
>
> The instrument then can only be seen as an indication of the nature of the strengths and weaknesses of the day care facilities it evaluated rather than an ultimately precise and definitive precision tool, except that its tolerance in scoring was unusually critical..." 1/

Finally, by testing compliance with FIADCR in this way, no assessment was made of the extent to which the FIADCR standards were known and understood by the person's surveyed. Nor was there an attempt to evaluate the state's efforts in establishing, promoting and monitoring compliance with those standards.

The test results, therefore, present a negative view of certain conditions without adequate explanation of how or why those conditions exist. More importantly, the results tell us nothing about the impact of the program on the children served, a rather significant oversight for a child care program quality assessment.

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1/ Appendix P

# Chapter 5

# Community Coordinated Child Care (4-C)

# Chapter 5

## Community Coordinated Child Care 4-C

### The Development of the 4-C Program in Vermont

In 1969, the Federal Panel on Early Childhood issued the Interim Policy Guide for the 4-C Program: Pilot Phase. Its introduction includes an incentive for states to develop the 4-C Program: "The Federal Government, because of its interest in and sponsorship of the 4-C Program, will extend certain priorities and benefits (see page 25) to communities operating local 4-C Programs." 1/

On Page 25, the Guide lists Title IV-A funds and OEO technical assistance as two sources of federal funds for financing the activities of the 4-C. In June, 1969, the State Office of Economic Opportunity learned about potential assistance to Vermont's day care program through Title IV-A from Preston Bruce, Director of the HEW 4-C office in Washington. Three months later, Vermont's 4-C committees began to organize and the Bennington and Manchester Day Care Centers signed the first Title IV-A Child Care Service Contract with the state.

At the outset, Vermont planned to create ten 4-C areas, and for the next year and a half, the State OEO energetically worked to develop 4-C area committees. 2/ There was another pay-off along the way when, in April, 1970, the 4-C federal regional committee officially "recognized" Vermont's State 4-C Committee, making it the first so designated in the nation.

Meanwhile, the FAP pretest idea continued to grow and develop. In April, 1970, the Vermont legislature approved the federally funded statewide FAP pretest. HEW and the Department of Labor signed contracts with Vermont, and work began July 1, 1970. 3/

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1/ Interim Policy Guide for the 4-C Program Pilot Phase, p.1.

2/ This plan, however, was modified to adjust to community response and Vermont eventually established eight 4-C area committees, See Appendix E-2.

3/ See Figure 2 - Planning Chronology Chart, p. 149.

The Vermont-HEW child care section of the FAP contract stipulated that "A portion of the actual operation's money shall be used to demonstrate the potential of the 4-C concept in starting and operating day care centers in homes across Vermont." 1/ To meet this requirement, the Day Care Operations Unit in the State OEO was given the responsibility to develop day care services through the 4-C machinery.

In February, 1971, Bennington 4-C received the state's first Title IV-A Planning Grant, which authorized the expenditure of Federal funds to assist in the planning and development of its 4-C program. The following month, the State FAP Planning and Day Care Staffs began to formulate an administrative role for the area 4-C committees in their implementation of FAP and Title IV-A day care services.

By this time, four of the area 4-Cs had signed Title IV-A Planning grants, but only Central Vermont had received a Title IV-A Service Grant. The distinctions between planning and service contracts are important because these contracts were entered into during the FAP pretest's planning phase. And since the service contracts provided operational funds, the area 4-C committees were engaged in planning and operations simultaneously. But they did not receive administrative funding until the child care service contracts were signed in November, 1971 despite their important role as the administrative link between the state and the local day care operating sites. According to the original concept, the 4-C organizations were to be assessors of child care needs and developers of resources to meet those needs. There was no legislation or funding for a "4-C Program".

Although the FAP and Title IV-A Service Contracts charged the 4-Cs with the responsibility for certifying eligibility and related fee collections, Futrell's March 4th memorandum detailed those responsibilities as described in the proposed consolidated FAP-IV-A Service Contract. During the following months, the 4-Cs continued to sign Title IV-A Planning and Service Contracts and FAP Service Contracts. Rutland 4-C signed a direct FAP service grant contract to test an alternative financial management system. (This made Rutland the only 4-C which received lump sum payments from the state and processed its own vendor bills and payments.)

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1/ Memorandum: Kathy Futrell to Dan Holland, March 4, 1971.

In addition to the planning and service contracts four 4-C committees had contracted for seed grants to develop new day care services to meet area day care needs. Each 4-C committee eventually found itself with several state contracts, each covering different types of funds and services for differing periods of time. In August, 1971, William Cowles, Secretary of Vermont's new Agency of Human Services, established the Office of Child Development, appointed Dr. Joan Babbott Director and transferred all child care operations from SOEO to the new State OCD. By November, 1971, in order to reduce the problems resulting from the multiple 4-C State contracts, a new FAP/IV-A Child care Service Contract was prepared by the state which terminated and superseded all the existing contracts. Once signed, this new contract brought all previous agreements together in one document. By January, 1972, all the 4-Cs except Rutland had signed the new contract. The new Child Care Service Grants, in addition to authorizing the 4-C to administer and coordinate Title IV-A and FAP monies for day care operations, also provided funds to support a 4-C administrative staff. 1/

While still part of the State OEO, the day care operations unit developed a draft document which spelled out local implementation of FAP IV-A day care through the regional 4-C committees. This document contained the following specifications:

> The request for a regional administration grant must be prepared and submitted by the Regional 4-C Committee to the State Office of Economic Opportunity for approval. The grant request for funding should include the following:
>
> 1. A work program detailing the objectives and planned activities of the administrative staff. The request should be consistent with the regional 4-C development plans and priorities and should afford a sound basis for funding.
>
> 2. A copy of the work program budget together with job specifications for positions to be funded. (A draft budget and job specification is attached.)
>
> 3. The request should cite the projected date of operations and should be received by the Day Care Operations Unit in

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1/ At first, Bennington 4-C did not receive administrative funds because its plan had been rejected on the grounds that the salaries budgeted for the staff were considered too high and there was some confusion about the job specifications in the OCD planning guidelines. By March, 1972, Bennington's Administrative plan still had not been approved, even though its Child Care Service Contract had been signed three months earlier.

> State OEO at least thirty days prior to the starting date. 1/

This draft document was still the official procedure as LICD completed its inquiry.

## The 4-C Planning and Organization Process

According to the Interim Policy Guide for the 4-C Program, the Federal Panel on Early Childhood recognized that:

> Many communities have already set up coordinative mechanisms which have objectives similar to the 4-C Program. Coordinating activities may be carried out by the office of the Mayor or County Commission, a local Welfare Agency, a Health and Welfare Council, Community Planning Council, Community Action Agency, Model Cities Agency, or other type of organization. Rather than starting a completely new organization, first consideration should be given to whether an existing organization can be expanded or modified to function as a 4-C Policy Committee. If an existing organization is selected, however, it is important that a special committee be created which will focus specifically on the problems of young children. 2/

The question LICD considered relevant to this point was: How much consideration did Vermont 4-C organizers give to existing agencies? For example, what was the linkage with the Winooski Model Cities Agency and its day care program? What about the Head Start Operations throughout the state? What linkages were established with OCCSA 3/ in the Northeast Kingdom or with other Community Action agencies?

The LICD investigation also sought answers to such questions as: Why was the Northeast Kingdom 4-C established when OCCSA played such a heavy coordinative role with the day care centers in the Northeastern region? Was the 4-C in the Northeast Kingdom less effective because it did not play the coordinative role it was supposed to play? Or, if it did, would it have been duplicating services already being provided by OCCSA? (For example, the 4-C reimbursed OCCSA for IV-A and FAP Child Care Services when children funded by those programs were merged with Head Start children.) Did the struggle between

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1/ Regional 4-C Committee Administrative Grant Procedure, Vermont Day Care Unit, 1970

2/ Ibid, p. 1

3/ OCCSA, Orleans County Council of Social Agencies.

the emerging Windsor 4-C and the Springfield Head Start develop as a result of competition rather than cooperation between SEVCA (Southeastern Vermont Community Action) and FAP day care?

### Typical 4-C Organizational Problems

Some of the 4-C leaders described a few of their problems during the organizing phase. One 4-C board chairman stated that the 4-C received "too much" technical assistance because the people at the local level did not know how to interpret and implement federal programs, and had no prior experience with such matters. Confused by the conflicting interpretations between the State OCD and federal officials, some 4-Cs felt themselves caught in the middle and providing a "battleground for the federal and state bureaucrats".

The LICD investigation revealed that the 4-C leadership seemed to be confused about sources of technical assistance. This could mean (1) they didn't care as long as they got the help, (2) they were never told where to get help, or (3) they did not understand the state administrative structure. We learned that all eight 4-Cs received technical assistance in organizing, but only one indicated that the State 4-C committee provided assistance through state informational meetings. None of the 4-Cs said they had any contact with the Washington 4-C Office (HEW/OCD). Five 4-Cs received assistance from the State Day Care Unit and some of them still identified the unit with State OEO, although the new State Office of Child Development had been in existence seven months at the time of our inquiry. Five 4-Cs identified other sources of technical assistance such as the State FAP Planning Unit, local and state Head Start personnel, the local CAP Agency and Boston Regional people. 1/

One 4-C had a rocky beginning with its administrative staff. The Project Planning Director began to work for the 4-C in July, 1971, under a "gentleman's agreement" with the 4-C Policy Council which lasted for 3 months. Eventually, he was able to get a signed contract and received his first pay check. When this director was interviewed by LICD, he said that when he had first started work no one had told him anything about his job. He did not understand the Title IV-A guidelines or the procedure for IV-A matching funds. Eventually, he learned that the state staff OCD's technical assistance became his best source of help.

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1/ In one case, Vern Clogston, a staff member of the state day care unit, was identified with a local Head Start Program. Reahbel Edwards from Boston's HEW/OCD office and chairwoman of the Federal Regional 4-C Committee, was identified as another source of technical assistance to one 4-C.

Another leader said he was "totally in the dark" as the 4-C was organizing. He said that the first 4-C chairperson had resigned and a new one elected when suddenly one day, the 4-C received a check for $12,000 from the state of Vermont with no explanation or budget detail. Subsequently he learned that the check was payment under a Title IV-A/FAP Planning Grant Contract which had been signed by the former chairperson. No one had explained either Title IV-A or FAP to the new chairperson who said he "thought child care was child care". Later, he signed FAP and IV-A service contracts, which were followed by receipt of a FAP check that also arrived without a budget or explanation.

At this same 4-C, the administrative director, who was hired before the new chairperson was elected, also didn't know about the FAP or IV-A money. Furthermore, neither the chairperson nor the 4-C personnel committee could describe how the director was hired, but thought "the Mental Health Agency did the hiring". From March until June, that director's salary was paid by the Mental Health Clinic. After June, 1971, the salary was paid by Title IV-A and FAP funds.

The foregoing example of haphazard administration seemed to reflect the "no one in charge" syndrome described in the LICD report on the planning process of the FAP child care pretest. Repeatedly, 4-C leaders described their difficulties in getting accurate timely information from "reliable" sources.

## 4-C Area Characteristics

Three of the four northern 4-Cs (Central Vermont, Morrisville, and Burlington) are closer to Montpelier than are the southern 4-Cs. However, weather, rough terrain and poor transportation systems tend to isolate the northern areas from Montpelier. In general, Vermont's northern counties are rural with a few concentrated "urban areas". In the case of the Central Vermont 4-C the population is concentrated in Washington County. The Champlain Valley 4-C has within its region Burlington, Vermont's major urban area. The rest of the region is rural. The Lamoille 4-C has extremely varied economic conditions with Stowe being financially well off compared to the rest of the county which is an economically depressed area. The Northeast Kingdom is a rural, isolated area with little industry.

Most of the southern 4-Cs (Woodstock, Bennington and Brattleboro) are located further away from Montpelier than are the northern counties. These southern counties related to each other a great deal, as well as to the nearby states. Bennington and Rutland Opportunity Council (B-ROC) was OEO funded which facilitated this North-South relationship. Brattleboro and Woodstock communicated frequently through SEVCA, the Southeastern Vermont Community Action Agency. Springfield, bordering Windham and Windsor Counties, was a large industrial center and had a strong 5-C operation there. 1/

There appears to have been some conflict between the Springfield 5-C and the Windsor 4-C as it was organizing. Although Rochester is a part of Windsor County, it tended to operate independently of the Windsor County 4-C since it had an expanded Head Start program. Windsor County provided space for Rochester representatives on the 4-C Board, but they had never attended any meetings. Hanover, New Hampshire played an active role in Windsor County's social problems. LICD investigators were told that the intellectual community in Hanover tended to support social change issues found in neighboring White River Junction, Vermont.

Searsbury, Readsboro and Stanford of Bennington County often related to Windham County or to Massachusetts because they were rural areas and depended on the school systems in the neighboring counties. Transportation seemed to be a major reason for these cross county and cross state relations. Very simply, we were told that "in Windham County the roads go better to Wilmington and to Massachusetts."

The population of Southern Vermont was characterized as transient because a large number of agricultural people immigrated from Northern Vermont looking for work and a large number of out-of-staters settled in Vermont "because they liked it" for a variety of reasons.

## Federal and State Expectations of the 4-C Program

Various documents defined federal and state guidelines for 4-C organizations and their operational activities. In addition to the Interim Policy Guide for the 4-C Program, the 4-Cs were bound also by the regulations and procedures described in Title IV-A of the Social Security Act and the FAP Guidelines, since the 4-Cs were funded from those sources. The FAP state and title IV-A contracts specified that each 4-C must also comply with the Federal Interagency Day Care Requirements and with Vermont licensing regulations, including public safety and health laws.

Theoretically, the concept of community coordinated child care implied a system of local development and control of child care. Vermont's 4-C system became a response to funding sources with all their requirements and regulations. The bureaucratic spiderweb of federal-state financial controls left little initiative to local 4-C committees which couldn't provide day care services without the public funds. Indeed, the area 4-Cs existed only because they provided a layer of decentralized administration between state government and the day care providers.

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1/ 5-C is Consumer Controlled Community Child Care.

## The 4-C Concept

Essentially, the "4-C Program" was a coordinating mechanism whereby all interested public, private and commercial agencies could cooperate with one another in the interest of:

1. Improving the quality of services offered by each of the participating agencies.
2. Assuring continuity in the community's child care program for each family.
3. Reaching the maximum number of families possible with top priority given to low-income families, with available resources.
4. Increasing opportunities for developing staff competence.
5. Developing the most efficient, effective and economical methods for delivering services to children and families.
6. Insuring an effective voice in policy and program direction for parents of children receiving child care.
7. Mobilizing the resources of the community in such a manner as to assure maximum public, private, agency and individual commitment to provide expanded quality child care. (The 4-C Program is primarily concerned with the coordination of day care and preschool programs. However, as the Program develops, it may become concerned with the availability of other needed services for children in preschool or day care programs and eventually, school-age children) and the coordination of these community services with preschool or day care programs.
8. Providing opportunities for career development with and between cooperating agencies...[1]

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[1] Interim Policy Guide for the 4-C Program, 1969, p. 5

The 4-C Interim Guide also described how the 4-C could develop and coordinate quality day care services to meet community needs.

State Expectations

Vermont's 4-C Committee Proposal, dated March 20, 1972 and signed by Governor Davis, contained a strong statement promoting child development. In that plan, the Vermont 4-C Committee was "assigned the responsibility" to monitor programs and to recommend that all existing programs, agencies and institutions involved in providing early childhood services assess their policies, practices, procedures and training "to insure that the concept of the whole child is being adequately planned and implemented in operations." This responsibility was reemphasized in the statement of the 4-Cs philosophy:

> The child grows in his environment - his family, his community, his world. Success in life for the child is a product of the total interrelated development of the whole person; of what he knows and how he feels, and how he gets along with people, how he looks on himself, and how well his body functions. Society has the responsibility for providing its own structure to support the child's growth from conception through the continuum of life. Early childhood services are resources in the environment which contribute to the nurture and development of children. The organizational delivery of these environmental resources must result from a commitment to the philosophy of interdisciplinary planning and programming to provide quality service for the optimum well being of every child in our society. Resource must be less fragmentary, more dynamically interrelated and served by personnel who can continually implement the concept of the whole child. 1/

The remainder of the proposal supported this objective, as did the Vermont State 4-C Manual which was a reproduction of the 4-C Manual prepared by the Day Care and Child Development Council of America, Inc., for use by State and local 4-C Committees. The manual is designed to assist local communities in establishing a coordinated program of child care services that meet the criteria established in the 4-C Guidelines of March 24, 1969, which were also included in Vermont's 4-C Manual. Clearly, the state 4-C Committee established its support for the development of quality child care services in Vermont.

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1/ Vermont State 4-C Committee Proposal, March 20, 1972, p. 2

In a State FAP Planning Staff interoffice memorandum dated July 15, 1971, a "4-C Technical Assistance Package" was outlined. It included the following description of the state's emphasis and interpretation of the 4-C concept.

> Philosophy/objectives/priorities
>
> It is as true of 4-C and the present child care effort as of any other government-sponsored program, that the general objective, given limited appropriations, is to provide "the greatest good" (i.e., the most good for the most people at the best price). There are two more specific purposes that child care serves: child care should enable parents and/or other guardians of children to seek and accept preparation for employment in which children can develop. In line with these objectives, the State and Federal governments have developed standards of eligibility and fee schedules for child care that attempt to allocate these limited appropriations equitably on the basis of need and certain priorities. It is fairly clear, however, that the State and Federal governments have decided that "the greatest good" can best be served with limited child care appropriations by identifying families in need rather than children in need. That is, the children from families in need (on the basis of their relationship to some poverty index, and their acceptance of preparation for employment and/or employment) are eligible for child care rather than the families of children in need (on the basis of some developmental indices, for instance).
>
> General operational objectives, then, are fairly clear. Child care should be "good enough" to meet the needs of the families and "good enough" to meet the needs of the children. Using the 4-C concept (and other integrating mechanisms where applicable) it is hoped that administration at the Federal, State and local levels will deliver child care with a minimum of wasted time and money and that coordination of programs and resources at the Federal, State and local levels will reduce overlap to a minimum and spread the available wealth as far as possible. More specifically, child care which purports to be "good enough" to meet the needs of the families should be able to validate this claim (e.g., do parents indicate satisfaction with the child care they are receiving? Are parents leaving or not

seeking employment or preparation for employment because of the unavailability of satisfactory child care?); just as child care which purports to be "good enough" to meet the needs of the children should be able to validate that claim. The valid unmet child care needs of both families and children at the local level in particular should be noted and assigned priorities such that program deficits can be clearly identified and more systematically dealth with.

Child care is, then, a program of some significant expense. Child care just for the preschool children of the relatively poor families who are presently employed or in preparation for employment is a $6,450,000/year program. Given that much of the emphasis behind child care currently is to increase the number of poor families engaged in employment and, given that child care is to be made available to school aged children as well as preschool children, the problem of assigning priorities becomes severe. Present funding for child care is not much in excess of $2 million and this includes substantial local funding, a significant State share and heightened Federal interest because of the FAP pilot. Furthermore, it is not expected that fees collected from these families would provide any substantial relief. Who, then, should be served? Here are some suggestions:

1. Top priority should be given to those families where the parent and/or other guardian of the children must accept employment and/or preparation for employment to receive government benefits (welfare or FAP).
2. Second priority should be given to those families (eligible for child care) who are "most in need". Degree of need could refer both to the family relationship to some index of poverty and to the availability of other sources of care (e.g., accessibility to unlicensed neighborhood care).
3. Third priority should be given to those children (eligible for child care) who are "most in need". Degree of need could refer to identifiable problems and/or developmental deficits.

4. There must also be a plan for distributing child care equitably across the state. There should, perhaps, be some sort of variable quota assigned to each regional 4-C area based on its population and its relative need, as prioritized above. [1]

It must be noted that the Federal Panel on Early Childhood (in the 4-C Interim Policy Guide) anticipated diversity and flexibility in the coordination of methods and agreements voluntarily developed at the local level. "However," it was emphasized, "the over-riding consideration is that the program must serve the disadvantaged."[2] Given this emphasis, we found that the 4-Cs felt pressured to consider only poverty families. A number of 4-C leaders expressed resentment that the 4-C was being identified and equated with poverty and not with child development and they pointed to the FAP and IV-A eligibility requirements as their evidence.

## LICD Findings and Analysis

In March, 1972, two LICD investigators each interviewed four of the eight area 4-C leaders. In several cases where the 4-C director had been working less than a month, the 4-C Board Chairperson was also interviewed.

Each interview was structured to retrieve information on the day care system in Vermont. Specifically, the interviews were designed to discover the 4-C leaders' perception and knowledge of their own role and activities within the total statewide system. The interview guide was divided into the following major categories:

> General Background, People, Places, Systems, Time, Things, Money, Licensing, Ancillary Services, Fee Rate Schedule and Child/Adult Ratio.

4-C responses to each of these categorical subjects are described below and provide some insight concerning their allocation, use, cost and programmatic impact.

Each of the first six categories represents a resource of the system. People includes the human resources available to the 4-C such as the Policy Committee, the 4-C administrative staff and the eligible day care families. Places is concerned with space and facilities. Systems include the day care delivery system, procedures, information systems, financial systems, communication systems, and monitoring and evaluation systems. Time deals with the use of time as an operating factor. Things include written materials, supplies, equipment and furniture. Money covers all aspects of handling income and expenditures. Four other areas were selected for special analysis. These were: Licensing, especially the 4-Cs relationship to licensing policies and procedures; Ancillary Services, but limited to the 4-C role in providing health, food and transportation services; Fee-Rate schedules concerning the role of 4-C in this area; and the Child/Adult Ratios and the 4-C role in enforcing compliance with the requirements.

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[1] Wristen, to Futrell, July 15, 1971, pp. 3 and 4.

[2] Procedural details are discussed in the LICD Analysis of 4-C Operations on pp. 283-284.

## People

### 4-C Organization.

- Policy Committees

All eight 4-C Policy Committees had elected officers and all had an executive board or committee. In one case, the executive body was called a steering committee and consisted of a few selected board representatives in addition to the elected officers. Five 4-C Committees used subcommittees to carry out 4-C responsibilities. In four cases, the subcommittees were extremely active during the organizing days, but became less active as the 4-C became more established and hired an administrative staff. Early on, all had committees to write by-laws. These committees were either dissolved as their work was completed or performed different functions under new names.

Some of the other committees which played important roles in organizing the 4-C included Fiscal Coordination and Funding, Membership, Fund Raising, Personnel, Policy-making, Screening (responsible for certifying eligibility), Out-reach (responsible for recruitment), Title IV-A Grant, Program Development and Research, and a Community Planning Committee. These committees were not universally found in all the 4-Cs but were examples of some of the committees operating during the development stages of the 4-C. Some of them become active from time to time to reformulate or develop policy as needed. Some of the more on-going committees included Day Care, Summer, Before and After School, Special Interest (responsible for "one-shot" activities for the children and for looking into new areas), Comprehensive Health, Advisory, Legislative (responsible for up-to-date information on state and federal legislation regarding child care), and Recreation.

By March 11, 1972, a number of 4-Cs were beginning to direct their organizing energies toward Before and After School and summer programs. Only one 4-C indicated that its committees were ineffective because of "in-fighting". In that 4-C, the director made all the policies and became the scapegoat when things went wrong. It is interesting to note that this same 4-C was not involved in any way in delivering or coordinating supportive services for its day care operators. Another 4-C, whose subcommittees continued their activity after the administrative staff was hired, was the most active 4-C in providing supportive services for its day care operators.

Seven 4-C Policy Committees consisted of parents of day care children, day care site operators, and public agency staff. Four 4-Cs had community individuals and private agency staff represented on their boards. Three had community organization representatives and business people on the 4-C Policy Committee. Only one board identified a "housewife" representative.

A number of 4-C leaders stated during the interview that the board was required to have equal representation from three sectors: private agencies, public agencies and parents. This was done in order to meet a federal and state imposed requirement in order to receive 4-C recognition. One 4-C defined its three categories as follows:

> 1. Representatives of public and private agencies whose interests are in child-care services or whose responsibilities affect the development of children's programs.
>
> 2. Representatives of private voluntary and professional organizations, interested citizens, and professional people having an interest in child care programs.
>
> 3. Parents of children receiving services or eligible to receive services, representing parent groups.

There were several ways committee members were chosen. Most commonly, members were both elected and appointed. The elected members were voted on by the membership at large or by the parents at day care centers. Appointed members represented private and public agencies and were appointed by their agency's administrator. One 4-C had both appointed and volunteer members. The appointed members represented interested public and private agencies. The volunteers were interested individuals. In another 4-C, some members were elected by the membership at large while others were volunteers. In two other 4-Cs, all the board members were elected.

## Agency Representatives

Several 4-C leaders expressed concern that agency people appointed to the 4-C Policy Committee were not free to speak in support of their personal opinions for fear of losing their jobs. One 4-C director said it would be better for agency people to participate if they were personally interested, and that working for an agency should be a secondary consideration. In her experience, the 4-C leader said, agency people had supported her in private but not at the public meetings.

### Parent Representatives and Others

In one 4-C there were some problems with board members resigning or not participating. The consumer parents, for example, did not attend meetings, were not very verbal and seemed to be overwhelmed by the other members. Other members resigned because they said "they didn't have time".

### 4-C Policy Committee Meetings

Most 4-C Policy Committees met monthly and only two met irregularly. In many cases, the Committees met more frequently as the 4-C was organizing and before the 4-C administrative staff was hired. Several of the 4-C by-laws stated that the board or committee must meet at least four times a year. One 4-C board had not met for six months after the new president was elected because, she said, she could not "get the executive committee together." On the whole, it appeared that some 4-C committees began to realize their potential as viable community organizations which could provide significant volunteer services to the statewide day care effort.

### o Administrative Staff

In March, 1972, all the 4-C Committees had paid administrative staff except Bennington, whose administrative plan had not yet been approved.

The average size of staff was 3.4 with a range of two to seven. We found that every staffing pattern varied as did the distribution of basic duties common to all 4-Cs.

### The 4-C Leaders

Thirteen 4-C leaders were interviewed. Four of these were employed elsewhere. Three of the four 4-C board chairwomen worked. One ran a free school, one ran a group day care home, and the other was a child welfare supervisor of operations for the State Welfare Department. The fourth person worked part-time for the 4-C and part-time for Head Start. The other nine persons interviewed were employed by 4-C.1/

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1/ See Appendix M-1 People Participation

A number of interviewees indicated that their prior work experience had proved useful in their 4-C work. Experiences included:

- Educator running a free school
- Teacher
- Day Care or Nursery School Operator
- Internship in a preschool program
- Mental health work (as a director, counselor, secretary)
- Administrative secretarial work
- Head Start experience (director, staff, volunteers, etc.
- Group therapist with youth on probation and alcoholics
- Child Welfare Service worker.

## 4-C Activities

A few members of all eight 4-C Policy Committees were directly involved in day care operations before they became Policy Committee members but only four 4-C Committees had members who volunteered at a day care site.

All of the board members of one 4-C volunteered at day care centers when they were needed. This was the same 4-C that had extremely active subcommittees. One 4-C Policy Committee Chairman was the director of a Head Start research and demonstration project, was also the director of the local CAA Child Development component and was a parent of a 4-C day care child in another region.

### o Title IV-A & FAP Activities

Seven 4-Cs allocated the responsibility for eligibility certification, vendor approval, file maintenance, and the billing procedure to the 4-C Administrative Staff. Only in Bennington, where there was no administrative staff, did a Policy Board member take responsibility for those tasks.

### o Training

The 4-C Policy Committees' involvement in training activities was minimal. None of the committees trained its own committee members, paid staff or volunteers. If there was any training for the 4-C administrative staff it was done on a very informal, as-needed basis. The 4-C Policy Committees did not provide orientation, in-service training or technical assistance to site operators. Some informal orientation was conducted by the 4-C administrative staff, and some in-service training was occasionally available from Head Start, a local community college, or the UVM [1] Home Enrichment program.

In the Northeast Kingdom, where it played a heavy role in day care operations, OCCSA provided in-service training and technical assistance. Only four 4-Cs said they used technical assistance from the State OCD.

According to the Child Care Service Contract, each 4-C was required to assist its day care operators in the preparation of semi-annual staff training schedules. After the 4-C reviewed those schedules, the 4-C was supposed to suggest regional training needs and priorities in the field of administration and program content to the State Office of Child Development for a statewide child care staff training program. SOCD was responsible for training day care operators after the 4-Cs had identified training needs.

The day care centers in one 4-C region were said to have a good working relationship with the State OCD trainer. Another 4-C leader expressed a desire to receive more technical assistance and training from SOCD, feeling that this area's needs had not been met adequately by the state. Another 4-C leader expressed concern regarding the reorganization of SOCD, saying that she had heard that all formal training programs were to be eliminated. The word was that the new technical assistance unit (that replaced the trainers) would focus its attention on bookkeeping, and budgets. Several other 4-C leaders who had been heavily involved with the state in training activities indicated their disappointment with the new de-emphasis of training.'

The 4-C Interim Policy Guide, however, included staff development as part of the 4-Cs coordinative function.

> D. Agreements on Staff Development. Staff development coordination may involve such elements as;
>
> 1. Providing an opportunity for new or smaller agencies to assign their staff to work temporarily in an established or larger agency for training purposes...
> 2. Establishing personnel referral systems which will permit staff

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[1] University of Vermont

from one program to be considered for more responsible positions in another agency's program.

3. Arrangements for joint staff training programs and for personnel to observe one another's programs.1/

In the OEO-HEW agreement regarding the implementation of the FAP plan, the following was stipulated;

> The development and implementation of a system of administrative services, training and technical assistance, for staff in FAP child care programs...Program content and techniques, management procedures and staff development will be included. Actual training and technical assistance responsibility may be assigned to cooperative State or local agencies, or developed through the FAP child care operations staff.

The Federal Interagency Day Care Requirements with which 4-Cs must comply (according to their contract) also stipulated that the administrative agency must provide for orientation, continuous in-service training, and supervision for all staff involved in a day care program and that staff must be assigned responsibility for organizing and coordinating the training program.

Only one 4-C provided for all three training activities: orientation, in-service training and technical assistance. The other 4-Cs provided for at least one of these training activities, usually on an informal basis. One 4-C leader, however, said that "any formal training program would be a waste of time", that time "spent with the children is a better learning experience than a training session".

"Demonstration of 4-C's Potential in starting and operating day care centers and homes across Vermont..." 2/

Two 4-Cs did not create any new day care operations. Three 4-Cs each started one. In the case of the Bennington 4-C, Arlington County began organizing and later turned to the 4-C for help. The Windham 4-C identified a need and organized the Brattleboro Child Development Center. Two 4-Cs (Central Vermont and Champlain Valley) each organized three sites. In March, 1972, Champlain

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1/ Interim Policy Guide for the 4-C Program, 1969, p. 16

2/ HEW/Vermont Contract

Valley was providing technical assistance to two of the sites. The third was a converted nursery school. The Rutland 4-C helped start five day care centers. Except Bennington, all of the 4-Cs starting day care operations had contracts for seed grants.

The three 4-Cs which had started day programs said they had not helped to decide where to locate the sites. Two 4-Cs stated they had not started day care programs, yet had helped to decide locations of some sites. A number of 4-C leaders said it was difficult to consider the location of supportive services when their communities were so small that there was not much choice. A number of 4-C leaders commented that they often did not have a choice about where to locate a day care site--that they take what they could find. Whenever possible, however, priority was given to these considerations:

1. Community need for a day care site;
2. Geographic areas with a concentration of low-income (FAP IV-A eligible) population;
3. Distances from homes of children to day care sites; and
4. Distances from homes and day care sites to parent's places of work.

Fewer than half of the site directors interviewed said that the 4-Cs provided them with technical assistance on an on-going basis. Only four directors said that the 4-Cs provided them with orientation and continuous-in-service training. Some of the other directors said that the 4-C had provided them with Title IV-A money, moral support, seed grant money, equipment, lists of potential children and employees and transportation. One director said that the 4-C had arranged for another organization to provide the site with continuous-in-service training. Four directors said that their 4-C had made arrangements for another agency to provide technical assistance. Some of the other services that 4-Cs provided or made provision for included: training at a community college, counselling services, a list of available community resources, billing help and medical services.

Most of the site operators said they had not received technical assistance in getting started. Of those sites that did receive assistance, they said that the State day care unit had provided more assistance than the area 4-C. A few sites said they had received help from Head Start.

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About half of the boards surveyed received technical assistance in organizing. About one-fourth received assistance from the State day care unit and the fourth received help from the area 4-C Committee. The others said they received organizing help from a variety of sources including the State 4-C, the Department of Social Welfare, Head Start, the State FAP Planning staff and SCORE.

At the time when most of the day care sample sites were organized, the 4-Cs were also coming into existence. Only six of the sample sites were operating before the 4-Cs were organized.

All eight 4-Cs had communities in their area where there were no day care vendors. Each 4-C seemed to have a different approach to developing new day care sites.

In Bennington, the 4-C depended on the Bennington-Rutland Opportunity Council (B-ROC) to do the basic "leg work" and research to establish a community need for day care and to inform the community members about the existing day care support available. In the Northeast Kingdom, OCCSA played a similar role. These existing organizations in both communities could have been expanded or modified to assume the functions of the 4-C Policy Committee, as the 4-C Interim Policy Guide suggested. LICD investigators found no explanation for bypassing B-ROC or OCCSA and establishing 4-C mechanisms in these areas.

One 4-C was doing nothing "at the present time" because the director was "not sure" that the communities without day care "really needed it." Another 4-C was in the process of identifying needs by building on the existing program rather than putting energies into new programs. Still another 4-C was "not doing anything because the communities that don't have day care, don't need it." One 4-C had not done anything because it "cannot guarantee any funding. How can we set up sites without FAP money and no IV-A guarantee?" our interviewer was asked.

Another 4-C leader said "there are communities needing day care but the 4-C cannot address their needs because we have exhausted the FAP eligible population." One 4-C committee, however, plunged ahead despite the problems. This 4-C identified community day care needs and then contacted community people "to get them to organize themselves." Once the community members started organizing, the 4-C provided technical assistance, worked with local agencies, and helped operators locate sites for day care operations.

The HEW-Vermont grant states in several places that one of the expected outcomes of the FAP pretest is a demonstration of the 4-C's potential in starting and operating day care

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1/ Vermont 4-C Manual

centers or homes across Vermont. Yet many 4-C leaders said that their hands were tied because they didn't have the money or could not guarantee the funding to start new operations when they exhausted the FAP eligible population.

Status of Families Participating in Day Care

Two main issues emerged from the responses to questions concerning the eligibility status of families participating in day care. First, the 4-C organizations saw their constituents as children, not families. Accordingly, the 4-C committees did not maintain records with a tabulated summary of the eligibility status of the families participating in their day care programs.

Many 4-Cs did not know how many day care families had an adult member participating in the FAP Manpower and Experiment and Demonstration Project, WIN, New Careers, Operation Mainstream or Neighborhood Youth Corps, for example. They also did not know how many families were employed and received ANFC money. They did not know how many families used day care services to enable the parent to participate in a training program or to work, or because neither parent was available during portions of the day or night. 1/ Several 4-C leaders indicated that the information was "somewhere" on file but that they never bothered to count the total number of families in the program. Some other 4-C leaders attempted to guess at the figures. Two 4-C leaders felt fairly confident in the number they quoted. This lack of specific data may stem from a feeling that the eligibility status of day care families is not a 4-C responsibility, or it may reflect the absence of a statewide information system useful to the 4-Cs as a planning and evaluation tool to help gauge the extent of the 4-C impact on the FAP and Title IV-A target population.

One 4-C leader complained that "they did not understand" OCD forms #101, 102 & 103 2/ and had been waiting for "someone" from OCD to explain them." This leader said that once they understood these forms, they would "know the information you are asking for."

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1/ The assumption that working parents need child care assistance only between 9:00 a.m. and 5:00 p.m. is inadequate. Split shifts and night shifts lead to many combination of need.

2/ See Appendix O for MIS instructions.

In response to the question about the number of 4-C families that had been referred to the FAP Vocational Rehabilitation project, several 4-C leaders said that they had never heard of it while a few others did not know anything about it. Several others stated that "it was the other way around - FAP families were referred to us."

Another interesting point regarding FAP emerged in response to the question about the number of families participating in the FAP Manpower Experiment and Demonstration Project which was applicable only in the only in the Burlington-Morrisville area. Without further explanation, two 4-C leaders outside the Burlington/Morrisville area indicated that they had families participating in the E & D project.

On the whole, the 4-C leaders seemed to be confused about the entire Vermont FAP pretest and none of those interviewed demonstrated an understanding of the special day care role expected of the 4-C.

## Coordinating Support Systems

The 4-Cs highest level of involvement in providing day care services lay in coordinating existing resources and providing a referral system for support services. Comparatively, only three 4-C organizations could be characterized as being extremely involved in providing services. One was fairly involved, and four others were minimally involved. Local public and private agencies were identified as support service providers.

Most of the 4-Cs became involved at the request of day care operators or by responding to the 4-C policy committee or to requests from parents. Only four 4-C leaders rated their referral system as satisfactory while two 4-C leaders cited the lack of staff and non-cooperative agencies as problems in providing a referral service.[1]

According to the Child Care Service Contract, each 4-C was responsible for coordinating state funded program support services. The 4-C also provided recommendations to the State OCD for improved administration and changes in the number or delivery of the program support services. Accordingly, the 4-C was expected to account for and report on any supplemental resources it used.

The 4-C Interim Policy Guide states that it is the 4-Cs function to coordinate and develop "the most efficient, effective and economical means for delivering services to children and families." 2/ The Federal Interagency Day Care

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1/ See Appendix I for a breakdown of services by Area 4-C

2/ The Interim Policy Guide for the 4-C Program. 1969, p. 5

Requirements explicitly describe the day care support services operating and administrative agencies, such as the 4-C, must provide. 1/

In the Child Care Service Contract, 4-Cs are also charged with the responsibility to coordinate state funded program support services (which may include, but are not limited to Nutrition, Health and Dental Programs, Mental Health, Social Services and Transportation) in each specific 4-C area.

In addition, the 4-C "will provide recommendations to the office for improved administration and changes in the number or delivery of program support services as listed (above) for the region."2/

Despite the quality child care requirements set forth in both the Federal Interagency Day Care Requirements and the Child Care Service Contract, the 4-C leaders agreed that the state did not provide sufficient funds to enable compliance.

One 4-C leader complained that "OCD's standards for quality day care are astonishingly low" and said that the 4-C committee "resents being used as a guise representing quality day care to the community when we are only able to provide custodial care."

The 4-C level of involvement in the provision of three important ancillary services is summarized as follows: six 4-Cs provided health services, two provided food services, two provided transportation services and two did not provide any of them.

Charts have been appended which describe how the 4-C committees are involved in providing health, transportation and/or food services to day care sites 3/ and the identifiable problems. 4/

Only one 4-C leader could tell us how much money was spent in that area annually for health ($1,000.00) and transportation ($200.00) and what percentage of the 4-C Committee's time was devoted to health (5%) and transportation (17%). The others did not know.

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1/ The Federal Interagency Day Care Requirements, September 23, 1968, pp. 9-11

2/ Vermont Child Care Service Contract, P. 3.

3/ See Appendix J

4/ See Appendix I

We learned that one 4-C evaluated the quality of its sites' health and food services by observation, since the operators were fighting any kind of formal evaluation by the 4-C. The informal evaluative observations were done at various times and recorded in the site's folder in the 4-Cs files. In another area, the 4-C director occasionally evaluated the quality of health services by observation, but said that "very little" was done with the information. This leader hoped to provide the operators with self-evaluation forms in the future. There was consensus that dental care seemed to be needed but could not be provided adequately with the current allocation of resources. [1]

4-C sharing Resources

The 4-C Interim Policy Guide suggests that the 4-C should arrange for one agency to supply a specific service to the day care operators. For the 4-C to receive official recognition, it must give written evidence of coordination in at least two of the three areas (program coordination, staff development or administrative coordination) described below:

> 5. Agreements have been reached for cooperative efforts in program coordination through at least one of the following:
>
> a. Joint program services in such areas as medical, dental psychological services or community outreach;
>
> b. Joint action in cultural recreational, parent education and/or other activities;
>
> c. Joint use of supervisory specialized staff (e.g., music, art, or head teachers).
>
> 6. Agreements have been reached for cooperative efforts in staff development through one of these or similar elements:
>
> a. Common training programs;
>
> b. Exchange of personnel for training purposes;
>
> c. Staff visitation programs

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[1] See the discussion on evaluation in this chapter for further details, pp. 288-291.

7. Agreements have been reached for administrative coordination through one of these or similar elements:

   a. Joint purchasing arrangements;

   b. Common business services;

   c. Joint personnel recruiting systems and interagency transfers. 1/

Only one 4-C organization appeared to have met the specifications described above. There was little evidence that the others, even those which helped to coordinate health, food and transportation services, met the specifications with respect to staff development or administrative coordination. LICD investigation did not disclose anything to suggest monitoring in these areas, either by the State 4-C Committee or by the State Office of Child Development.

In the 4-C Child Care Service Contract, the 4-C was charged with the responsibility to coordinate training and the sharing of site personnel.

Our findings suggest that the system 4-Cs used for sharing resources was so informal and haphazard that it could not be called a system at all. Referrals depended on the 4-C chairperson or project directors' personal knowledge of the day care site personnel. If the chairperson knew, for example, that X Day Care Center had someone who understood the bookkeeping system, that person was called upon to teach other staff. One 4-C used the School for International Training (SIT) which had set up a program with roving teachers who were shared among all the centers. Two centers in the same area were considering a joint summer program, an example of the cooperation existing among the day care operators in that area reflecting the unusual energy and commitment of that area's 4-C leadership to the program. In another 4-C, the centers coordinated with one another for staff training under the leadership of one of the day care centers. The other five 4-Cs did not share personnel on the grounds that they lacked staff to do so.

On page 3 of the 4-C Child Care Service Contract, it states that the 4-C "will begin planning for and schedule the implementation of substitute staff systems for leave purposes to aid service providers participating in the child care program." Based on the LICD interviews, there was little evidence of such a system operating.

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1/ 4-C Interim Policy Guide pp. 15-16

Half of the 4-Cs shared supplies and facilities. In one 4-C, one Child Development Center had a home enrichment program from which supplies were available on loan or were given away. In another 4-C area, the operators shared tables and chairs. One 4-C chairperson notified the site operators when she learned of a sale. All this was done informally, but some operators were planning to buy food and supplies jointly on a regular basis. This effort appeared to be a reflection of that chairperson's special interest. In another 4-C region, two of the largest centers informally bought supplies together without assistance from the area 4-C.

## Monitoring and Evaluation Systems

All 4-C leaders stated they had the responsibility to help day care sites comply with day care regulations. Most of the 4-Cs informally provided personal assistance, or instructions and copies of the state and federal regulations to day care operators. Very few followed up with any kind of evaluation. Four 4-Cs never evaluated their day care sites while the other four used a variety of approaches to evaluation. In one area, the 4-C Chairman informally visited the sites monthly "to see if the sites are doing what they said they are doing". In another, the 4-C planner evaluated the sites "as it was needed for planning purposes." In a third, the 4-C director and staff said they "informally evaluated the sites daily." In this area, the director had wanted to conduct a formal evaluation annually but said there was resistance from the operators and no state support on the issue. In the fourth area, only one day care center was "informally" evaluated monthly because the President of the 4-C Board was also a member of that center's Board of Directors.

We found only two examples where 4-Cs played an active monitoring role to ensure program quality and child safety. One 4-C closed a site temporarily when the operator refused to be licensed. Another 4-C closed a Satellite Home "because children were being too severely disciplined".

Most of the 4-C leaders were aware of the child/adult ratio requirements in the Vermont day care licensing regulations, in the Vermont Interim Day Care Guidelines and Operating Procedures and in the Federal Interagency Day Care Requirements. None of the leaders expected to be able to change the required ratios and only one knew of any exceptions being permitted to the federal or state adult ratios. A few said there should be a policy regarding before and after school children who upset the ratio temporarily during the day. One 4-C had a problem with the minimum 18-year-old staff requirement. Compliance with the federal and state child/adult ratios was obtained through informal observation and discussions with the operator if the ratio was off.

About half of the day care directors interviewed did not know if the 4-C enforced compliance with the federal and state child-adult ratios; eight said the 4-Cs did not enforce compliance. The others said they did by "checking, or always asking questions."

LICD investigators found that the State OCD provided only vague direction to the 4-Cs regarding monitoring and evaluation. In one specific situation, when some day care operators became militantly opposed to being evaluated by the 4-C, the director turned to SOCD for support. After several shifts about how to fulfill the evaluation requirement, the OCD advised, "Perhaps you'd better give in to the centers and let them do their own evaluation and monitoring so you will have their trust, and well...do what you want to."

The following paragraph is included in the list of specific tasks to be performed by the Vermont contractor:

> It is anticipated that standard reporting forms will be developed which will meet Federal and State needs on FAP children and provide a basis not only for assessing the effectiveness of current programs, but aid in the projection of future services. 1/

At the 4-C level of the Vermont Day Care System, LICD found little evidence of such activity.

According to the Federal Interagency Day Care Requirements, (with which the 4-Cs and day care operators must comply) as quoted in the Child Service Contract:

> 1. Day Care facilities must be periodically evaluated in terms of the Federal Interagency Day Care Standards.
>
> 2. Local operators must evaluate their own program activities according to outlines, forms, etc., provided by the operating and administering agencies (i.e., the day care operators and the 4-C). This self-evaluation must be periodically planned and scheduled so that results of evaluation can be incorporated into the preparation of the succeeding year's plan. 2/

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1/ HEW/Vermont Contract

2/ FIADCR - op. cit. p. 17

LICD investigators found no evidence of this activity occurring at the 4-C level.

Forms and Procedures

According to the Federal Interagency Day Care Requirements, the operating or administering agency (which could be the 4-C or OCD) must provide for the development and publication of policies and procedures governing:

a. Required program services
b. Intake, eligibility
c. Financing
d. Relations with the community
e. Continuous evaluation
f. Reporting requirements
g. Compliance with Title VI of the Civil Rights Act of 1964.

Our investigation revealed that five 4-Cs had not developed and published policies and procedures to be followed by the day care operators in their 4-C areas. The three 4-Cs which did, informally published them through newsletters, memoranda and in their contracts with the sites. One 4-C director prepared a summary of the FAP and IV-A guidelines which she mailed to the area sites. In two other 4-C areas, State OCD memoranda were distributed occasionally during meetings to allow discussion on the guidelines. In one 4-C area, when any new guidelines were developed either by the 4-C or SOCD, a meeting was held to make sure that everyone had the same understanding and interpretation of the guidelines to be used. The 4-C leader told us "they must agree on what this piece of paper says." Otherwise, the operators telephoned the 4-C if they didn't understand a guideline or procedure.

Based on the 4-C responses to LICD questions, it appeared that SOCD had assumed responsibility for the development and publication of policies and procedures and the 4-Cs had become interpreters of the law for the day care operators. It also appeared that the policies were not determined in any systematic fashion but were sent out sporadically in memoranda which were not uniformly received by all the 4-Cs. The FAP Interim Guidelines issued by the State OCD on August 23, 1971, were the only published procedures, and covered only eligibility and billing procedures, not day care service delivery.

In the absence of official guidelines and policies, one 4-C leader began to write a step-by-step procedure for organizing and developing a 4-C Day Care program, then discontinued the effort when the State OCD staff said they were developing such a manual. 1/ One 4-C was developing functional forms to be used

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1/ Identified as "The Cookbook" the manual was still in production as LICD completed its inquiry for specific 4-C activities and functions. Another 4-C had developed a verbal procedure for determining eligibility, billing, reimbursement and site approval. Still another 4-C developed a "Caretaker checklist, out of the necessity to create order out of chaos," and because it helped the 4-C staff "to provide information to upgrade the quality of care." Another 4-C developed a new face sheet for the monthly billing, designed to meet its need for health and billing records. Still another 4-C devised a procedure for organizing the vendor's bills in an attempt to make all bills uniform and therefore easier for its staff to read and record. The instructions for this procedure were transmitted verbally to the site staffs.

## Communication Systems

Most 4-Cs seemed to have good communications with their operating sites via the telephone, mail, regular visits to sites and regular meetings. One exception was a 4-C which operated from June, 1971, until March, 1972, with no office, no telephone and no salaries, other than what was paid by the local Mental Health Clinic. As a result, its only contact with the sites was by telephone. The same 4-C had little contact with prospective satellite home mothers. LICD investigators discovered a number of situations in which homes were licensed but had no placements. These satellite home operators told us they received literature but had not been assigned any children. They were anxiously waiting to hear either that they had been licensed or that they would receive child referrals to start operating. However, when we questioned the 4-C chairperson regarding this matter, he told us that the situation didn't exist, that such things "didn't happen."

We also found that frequency of communication varied. Three 4-Cs communicated with their sites weekly or more often, three communicated once a month and two communicated irregularly, as needed. In the Northeast Kingdom where OCCSA, rather than the 4-C, played the major day care administrative role, site operators complained that they could not get budget figures so they didn't know where their money was going. In this area, seven Day Care Centers were directly accountable to OCCSA.

Apparently there was little communication between the State OCD and HEW's OCD office in Boston. The 4-C leaders who kept in touch with the Boston HEW-OCD staff indicated that Vermont 4-C information didn't always reach Boston, via the State OCD. One 4-C director said that state requests for information come as a result of requests from Washington.

The communication system between the 4-C areas and the State OCD Vermont was loose and "undependable". A Day Care Directors Association, composed of 4-C leaders and day care vendors, was formed in southern Vermont, at least partly motivated by the need for accurate,timely and useful information.

Several 4-C leaders expressed regret over their perception of the continuing rivalry between the FAP Planning staff and the State OCD staff. One 4-C Director reported that she was constantly told, you have got to decide whose side you are on. FAP Planning or OCD." She said her reply was, "I thought we were all on one side--that of children."

It would appear, then, that the dual responsibility for FAP day care embodied in the two state staffs continued to be a source of friction in some areas as it was during the planning process.[1] 4-C leaders remedial suggestions ranged from new state leadership and staff to more direct communications with Washington.

Public Information System

Only four of the 4-C Committees had a public information system included contacts with local officials, direct mailing, speaking engagements, newspapers, television and radio.

In Bennington, after the Director of the Bennington Child Development Center talked at the Pre-Town Meeting, the town voted to give the center $4,000. Manchester Day Care also asked for day care money at its town meeting but was defeated, they said, because they also asked for a tax to raise the money.

Day Care was also discussed at the Rutland Town Meeting in 1972. Both Caselton and Otter Valley received money as a result. One town had allocated $6,000.00 for 4-C administration, but withdrew the money when the 4-C director resigned. Windsor County 4-C planned to be on the next town meeting agenda.

4-C Administrative Staff Time

LICD analysis revealed that 4-C administrative staffs spent more time with community people than they did with their policy committees. Three of them spent a considerable amount of time with their day care operators. Although ratios of time varied, they reflected staff assessments of priorities. The greater focus of energy directed toward the community suggested that some of the 4-C staffs may have been working in a vacuum without input from the Policy Committee or the day care operators.

The amount of time a 4-C staff spent with state day care licensers and other state staff varied a great deal from area to area. Two 4-C leaders said they rarely or never spent time with any of the state day care officials. One 4-C leader saw several state day care officials at least weekly. The others saw state staff either monthly or occasionally, as needed. LICD investigators were told that 4-Cs spent more time with state program developers than they did with state trainers.

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[1] See pp. 76-97.

The percentage of time spent in writing reports also varied a great deal from 4-C to 4-C. Three leaders indicated they spent less than 5% of their time writing reports, one spent 5-10%, two spent 10-25% and two spent about 25-50%. One 4-C director who spent 25-50% of her time writing reports, listed four constituencies which required them: SOCD, the day care operators, "universities" and the general 4-C membership. The other 4-Cs generally issued reports to OCD and/or the Policy Committee, using anywhere from 5-20% of their time for this task.

Three 4-C leaders spent 1 to 3 days per month in training activities. The rest said they did not participate in any training activities.

4-C leaders found it difficult to assess what percentage of their time was spent with various tasks. However, we estimated that 4-C leaders spent a total of 4 or 5 days per month performing the following six tasks:

| | |
|---|---|
| certifying family eligibility | 2 hours/month |
| approving vendor's receiving funds | 2 days/month |
| maintaining files | 2 1/2 days/month |
| reviewing monthly bills | 2 hours/month |
| reviewing and verifying fee computations | 2 hours/month |
| preparing and summarizing billing reports | 1 hour/month |

We found that time spent on paperwork varied with each individual's assessment of its importance and that person's attitude toward reports and records, regardless of requirements imposed.

## Records Maintained by the 4-C

All eight 4-Cs maintained file copies of minutes of Policy Committee meetings. Most of the 4-Cs kept records and statistical data on eligible children. One 4-C director commented that they had only certification forms on file. Another stated that the information on file was not reliable. Still another commented that the 4-C list did not include all the eligible children in the area. The fact that only a few 4-Cs had some statistical data on eligible children suggested that the 4-C committees were not part of a formal information system and raised several important questions: Without these records how did the 4-Cs know if the target population was being served? If the 4-Cs did not have this information on file, who did? If the State OCD staff had it, where did they get it--and how did they validate such information? 1/

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1/ See Chapter 7, Information, pp. 314-333 for details.

The need for a viable information system was expressed repeatedly. Such a system, 4-C leaders said, would not only be cognizant of SOCD's information needs but would assess and meet the 4-Cs information needs as well, both in form and content.

In addition to the required reports, we were told that 4-Cs maintained other records and reports. Some of these included: The 4-C president's notebook, FAP Trainee Status Report, Parent Declaration and Employment Status, personnel files, FAP documentation, historical records, and copies of contracts with day care operators. The absence of a useful information system appeared to present significant problems for the 4-C committees, and was reflected in the diversity of materials they collected in attempting to keep informed. 1/ Indeed, this informational deficiency may prove to have been one of the more important factors in determining the success or failure of the day care delivery system.

Money

The majority of 4-Cs did not pay for any day care support services from their own resources. One 4-C helped pay for health care and social services while another helped pay for WIN enrollees working for the 4-C.

Three 4-C leaders said they did not know the income of their organization. One 4-C director made a "guesstimate" and did not know their organization's expenses and only one 4-C director was able to tell us how much the 4-C spent for day care services. All of those interviewed reminded LICD staff that other persons (e.g. treasurer, bookkeeper, etc.) kept the financial records, by way of explaining their own limited knowledge of specific income and expenses.

At the same time, however, another factor probably contributed to the confusion--namely, that the 4-C Child Service contracts established three separate accounts: (1) payment of child care services, (2) payment of administrative costs, and (3) child care fee collections from parents who were required to contribute a portion of the child care cost because of their income level. Additionally, the 4-Cs were required to use a double entry bookkeeping system which few admitted understanding.

The 4-C leaders said they "did not know much" about the income day care operators actually received in addition to Title IV-A and FAP monies. A few 4-C directors did identify which of their sites received money from Head Start and some of the sites which received contributions, but did not know how much money was received.

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1/ See Appendix N for details of reports issued and received by the 4-C area Committees.

In a comparative analysis of the 4-C leaders' responses to our questions and the budgets in the child care service contracts, several discrepancies became evident. Given the limitation of time and staff, LICD was unable to pursue these discrepancy factors further than to flag them for future study.. However, for purposes of evaluating the total pretest, it will be important to distinguish between financial discrepancies which resulted from inadequate accounting practices and discrepancies which reflected inadequate budget control.

## Salaries and Fringe Benefits

The average 4-C directors' salary was $9,177. Salaries ranged from $7,500 to $11,000. There appeared to be no correlation between educational level or college degrees and salary earned. For example, one 4-C director with a M. A. earned $7,500, while another 4-C director with only some college background earned $10,000. The average bookkeeper-secretary's salary was $5,725 and ranged from $5,200 to $7,500. The average salary of three child care coordinators, was $7,957 (more than the salary of two of the 4-C directors).

All of the 4-C staffs received paid vacations, sick pay, and paid holidays, and most of them received some form of insurance, social security, workman's compensation, and/or unemployment compensation insurance. Only one 4-C staff member received compensatory time off for overtime worked.

## Summary

Overall, our investigation revealed serious frustrations among the 4-C leadership over the smoldering issue of developmental versus, custodial care. There seemed to be consensus that 4-C committees were designed to provide services to children, not families, and that federal funding from whatever source should be, primarily, a means to that end. This point of view was confirmed in the responses we received to questions concerning families. In every case, 4-C leaders told LICD investigators that they kept their records and organized their activities around children rather than families and, therefore, could not respond specifically to our questions about the FAP impact on families or parent employment factors.

There was consensus, also on the need for quality day care for children of working parents and agreement with the overall goals of a welfare reform strategy which would provide employment alternatives to a dole. Nevertheless, the 4-C leadership agreed that day care eligibility should include children's needs, in addition to the economic needs of families. 4-C leaders described their position as being "caught in the middle" between their own priorities of quality child care and compliance with FAP and Title IV-A funding sources in order to stay in business.

State 4-C Committee.

Except for its earliest role in helping to organize the area 4-Cs, the State 4-C Committee had no direct relationship with day care operations. This fact, however, did not seem to be known or understood in the field where state 4-C and State OCD were talked of as if they were one unit. However, by sping of 1972, the state 4-C committee had begun to monitor area 4-C compliance with the 4-C Program Guide and had restructured itself with the Governor's approval, to include as its thirty members, sixteen consumers (parents) eight representatives of the private sector (selected by each area 4-C) and representatives from each of the six major state agencies.

It seemed obvious that the State 4-C Committee's role became more indistinct and diminished as the Office of Child Development became the powerful dispenser of day care rules and money. In May, 1972, when the LICD study was completed, the State 4-C committee was "redefining its role" and working toward achievement of the broader 4-C child care goals which had become overshadowed by FAP day care and its influential funds.

# Chapter 6

## Day Care Support Resources

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Providers of FAP day care services in Vermont found themselves pretty much on their own when it came to locating and using supportive resources. FAP day care planners had assumed that FAP eligible children would receive medical care under Medicaid and "seed grants" were available for some renovation of facilities. Centers serving Title IV-A and FAP children were eligible for food under the state's special feeding program and surplus commodities distribution program. Alternative types of transportation were also to be developed and tested, especially in rural communities.

One other important idea appeared in the HEW/Vermont contract, the requirement that existing organizations were to be used for administrative expediency whenever possible.

This chapter describes how well the Vermont FAP day care system mobilized and used these and other support resources such as health and transportation services and related community organizations such as Head Start and the Community Action Agencies. Of the support services usually associated with day care, we selected for special examination the availability and use of those three identified as necessary to any day care program: food, health and transportation.

### Operations Plan

LICD survey results described the indistinct pattern of local mechanisms which evolved to transport, feed and provide health services to children in day care sites. In conformity with the Operations Plan, various methods were expected to develop in a form most appropriate to specific site needs. However, difficulties experienced in obtaining funds and other factors described in this chapter, pointed up the need for general guidelines which could have reduced some of the stress and frustration within and among agencies trying to organize and deliver support services. In addition, state level expressions of concern regarding inadequate funding for support services indicated that the Operations Plan could have anticipated the problem and provided coordinative mechanisms for the equitable allocation of potentially scarce resources.

It seems reasonable to assume that if an evaluation plan had been developed and implemented, as recommended in the Plan, support service problems might have been identified and dealt with while the operating system was evolving.

## CAA/Head Start Involvement

Most of the Vermont Community Action Agency boundaries were established by counties. In the case of B-ROC, the federal Office of Economic Opportunity had decided to combine Bennington and Rutland into one CAA. In Southeastern Vermont, Windsor and Windham Counties incorporated to form SEVCA. Generally, the 4-Cs followed a more county-wide pattern than the CAA's did, except in the Northeast Kingdom and Champlain Valley, where the jurisdictions were similar to those of the CAAs. According to one CAA Director, that agency's jurisdiction was established in 1965 based on Vermont Mental Health's districts. Another said the CAA followed county boundaries. Two CAA directors commented that there was "no uniformity" among the state agencies' administrative or planning areas.

Vermont's five Community Action Agencies, had been running their own Head Start Programs for several years before FAP day care came to the state. These CAAs were OCCSA, Orleans County Council of Social Agencies; B-ROC, Bennington-Rutland Opportunity Council; SEVCA, Southeastern Vermont Community Action; CVOEO, Champlain Valley Office of Economic Opportunity; and CVCAC, Central Vermont Community Action Council.

Most of the Community Action Agencies were involved in the initial planning of the regional 4-Cs. In most cases, the CAA Director had appointed the Head Start Director to represent the agency on the 4-C Planning Committee and those representatives became more involved as the 4-Cs developed.

In Champlain Valley, the Head Start Director became the part-time director of the 4-C while continuing to work part time for Head Start. At the time of this study, the CVOEO Director said there were four Head Start programs that also served FAP and IV-A children.

In Southeastern Vermont, in 1970 the Head Start program under SEVCA had become incorporated as an agency known as 5-C, Consumer Controlled Community Child Care, but the SEVCA Board of Directors decided that 5-C should remain its delegate agency.

That relationship held until January, 1972, when the SEVCA Board shifted position and voted to recognize 5-C as an independent single purpose agency with a direct relationship to Head Start in HEW. 5-C participated fully in the development of the 4-Cs and was represented on both the Windsor and Windham 4-C Policy Boards. Early on, there had been a conflict in the 5-C organization which spilled over and affected the early formation of the Windsor 4-C. Nevertheless, at the time of this study, the 5-C organization provided day care services to Title IV-A and FAP children.

The Bennington-Rutland Opportunity Council expanded two Head Start operations to include IV-A and FAP day care. Administratively, B-ROC had helped develop the Bennington 4-C and had assisted the Rutland 4-C in resolving some its thornier problems.

In the Northeast Kingdom, OCCSA expanded a number of its Head Start programs to include Day Care. Administratively, when Head Start, IV-A and FAP children were served in one facility, OCCSA, rather than the 4-C, handled the bills and reimbursement payments for FAP and IV-A.

The CVCAC also encouraged the establishment of day care operations, even though, at the time of this study, none of CVCAC's ten Head Start Centers had FAP or IV-A children, although one Head Start "full day--day care center" was said to be negotiating with the 4-C for eligible children.

A number of CAA directors commented on their working relationships with "day care" and 4-C. One said he had no problems with the Regional 4-C Committee but thought the "State 4-C Day Care Office" had some real management problems, some of which had improved since Dr. Babbott arrived." 1/ One CAA director was an active member of the local 4-C Policy Board but another said it was difficult working with the 4-C because 4-C guidelines and responsibilities were "not clean." In one situation where there were Head Start, FAP & IV-A children in one center, the 4-C wanted to monitor the operations. But the Head Start director wouldn't permit that because the 4-C "did not have guidelines which specified its monitoring responsibilities."

Relationships between the CAAs and the 4-Cs, then, varied from one community to another. The wide spectrum of differences ranged from interlocking responsibilities, (which caused confusion at the site level), to distantly polite competition over the merits of Head Start versus day care. Everyone's confusion at every level over the multiplicity of organizations and agencies was evident in field data.

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1/ State agencies were often wrongly identified in the field. In this case, no distinction was made between the State 4-C Committee, chaired by Dan Holland, and the State Office of Child Development, headed by Joan Babbott.

LICD interviewers noted that the CAA people (directors, administrative assistants, fiscal officers, etc.) quickly and confidently related the number of sites with FAP and IV-A children while the 4-C leaders seemed to know very little about Head Start operations.

It was also interesting to note that several CAA people thought the State OCD was the State 4-C. Their perception was that Regional 4-Cs related to the State 4-C which issued the guidelines, handled the money and was responsible for the FAP day care program. 1/

The LICD investigation also explored another facet of the FAP day care--CAA relationship, one which surfaced during our examination of the planning process. According to the Economic Opportunity Act:

> No pilot or demonstration project under this section shall be commenced in any city, county, or other major political subdivision, unless a plan setting forth such proposed pilot or demonstration project has been submitted to the appropriate community action agency, or, if there is no such agency, to the local governing officials of the political subdivision. 2/

Despite the specific language of this section, there is no evidence that any of the CAA Directors were either consulted or asked to approve the establishment of the new day care program in their communities. It may be that the fact of their participation in the development of the 4-Cs was considered a fulfillment of that requirement, but none of the CAA personnel queried by LICD investigators had any knowledge of this requirement nor remembered having been asked to formally approve the new anti-poverty program.

There was little 4-C coordination with Head Start despite the fact that Head Start provided technical assistance in some communities to start new day care centers.

The Champlain Valley 4-C coordinated with Head Start through the efforts of its Director who also worked part time for Head Start. In Bennington, B-ROC did the administrative work for the Bennington 4-C.

Space on the Windsor 4-C Board was provided for an expanded Head Start operation but its representatives did not attend the 4-C meetings.

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1/ See Appendix A-4, The System for actual relationships

2/ Section 232 (d) of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2825)

There was an effort to integrate Head Start and day care in the Northeast Kingdom, with OCCSA assuming the leadership role by attempting to equalize all reimbursement for child care and controlling the finances of those centers which served Head Start, FAP and IV-A children.

Some day care operators experienced difficulties because of discrepancies in program content and fee reimbursement between Head Start and FAP/IV-A day care.

In view of the contradictions between the stated purpose of using existing resources and starting the FAP child care program from scratch, the problems which developed were probably inevitable. Integration of child care resources was apparently expected to "just happen" at the operating level (4-C and site) while no attempt was made to integrate or at least systematically coordinate existing child care services from the state level. It must be remembered, here, that some child care services had been in operation in Vermont before the FAP pretest. These included: Head Start, Model Cities day care, Parent-child Centers, Consumer Controlled Community Child Care (5-C), Title IV-A reimbursement, and a number of public and private day care providers throughout the state, operating in homes, schools, churches and other community facilities.

At the site level, eighteen of the fifty sites surveyed had some sort of involvement with Head Start in one way or another and three operators had received assistance from Head Start personnel in getting started. Most of the day care sites surveyed in the Northeast Kingdom had parent representatives on the OCCSA Parent Advisory Board. This CAA sponsored parent group eliminated all advisory boards connected to individual centers and brought all the parent representatives together as an umbrella advisory group.

Seven day care sites had training programs sponsored by Head Start or the CAA. One day care center in Rutland shared a facility with Head Start. At three sites, either the CAA or Head Start helped to provide education, social services, health, food, or transportation services. Only three sites were able to provide figures for the amounts of money they received from Head Start. Ten operators did not know how much money they received either from Head Start or any other sources and eight said that they did not receive any money from Head Start. Most of the 4-Cs did not know how much money sites received from Head Start and said they were not sure which sites received it. It seems evident from all this that attempts to integrate service activities without concurrent integration of information, policy or management systems, contributed to Vermont's day care problems.

## Food

The *Federal Interagency Day Care Requirements* specify that "the facility must provide adequate and nutritious meals and snacks prepared in a safe and sanitary manner. Consultation should be available from a qualified nutritionist or food service specialist." 1/

The 4-C State Manual suggests that the 4-C coordinate the delivery of food services.

> Nutrition
>
> Coordination of nutrition practices among child care facilities offers possibilites for improving programs and effecting economies.
>
> Through coordination, agencies that have been accustomed to providing meals and snacks as an incidental necessity may receive the advice and assistance of professional dietitians in planning menus, buying and preparing food. In addition, such agencies can be shown how the buying, preparation and serving of food can be made a part of the enrichment and education program for children of preschool age.
>
> Another aim of coordination is the possible reduction of food costs through joint contracting with a catering organization. However, the economies that a single center might achieve through joint purchasing or catering are not likely to be great enough to justify elimination of a creative food preparation program through which the children gain experience and skills. 2/

LICD site data revealed that most of the operators served snacks, lunch and breakfast. About half of them said they had received advice on meal planning or how to purchase food more economically. These operators said that advice and training was given by the "Department of Education School Nutritionist." Most of the operators bought food

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1/ *Op. Cit.*, p.12

2/ *Vermont State 4-C Manual*

from a grocery store or supermarket. About half of them used government surplus commodities, and three purchased cooperatively. Generally, they said, the operator decided the menus and only about 40% of the cooks did so. In 24% of the sites, the children helped decided what to eat.

FAP/IV-A children were eligible for food made available to day care centers by the Department of Agriculture's special feeding programs, which operated in Vermont through the state Department of Education.

There, the Child Nutrition Consultant was responsible for approving allocations of surplus commodities and reimbursement monies to qualified day care centers and other special food programs. She and the Child Nutrition Account Clerk also provided technical assistance to the day care centers. The Child Nutrition Consultant prepared an annual list of authorized center recipients each July which was updated during the year, mostly by telephone.

Actual distribution of surplus commodities was handled by the state Agency of Administration which released food on request to sites approved by the Department of Education. Once approved, center operators completed a mimeographed form where they estimated their annual needs, then had the option of picking up the food in Montpelier or paying for commercial delivery service.

The Child Nutrition Consultant was responsible for covering the entire state and attempted to provide training and technical assistance whenever possible. The Account Clerk processed all the bills for payment, exercised budget control, maintained records and prepared reports. She, too, attempted to provide statewide technical assistance to sites in financial matters.

While the food program seemed to be operating smoothly, LICD analysts identified several issues which posed potential problems:

First, the Nutrition Consultant had very little time to provide educational services to day care operators or their cooks. She said she planned to start a newsletter, at the time of the interview, but was aware of the limitations of that medium.

Second, the Nutrition consultant had no relationship to the licensing process, even though food preparation, storage and disposition were directly related to health and safety. At the time of our inquiry, there were no plans to link food service to the licensing process.

Third, surplus commodities were being imported into a poor rural state whose farmers might have welcomed the expanded child care market. No one interviewed mentioned the possibility of home-grown foodstuffs for day care children or the potential economic advantages to Vermont.

Fourth, the Nutrition Consultant's guidelines expressly limited special food programs to day care centers, "not to homes." Inasmuch as many of Vermont's small centers were operated out of homes, we questioned the literal classification as well as the arbitrary distinction, especially since the FAP program was promoting small family home day care. This appeared to be another unresolved state policy question.

Last, the Department of Agriculture required each food program participant to complete highly detailed forms each day. In order to obtain the information, the day care provider was required to count, weigh or measure every morsel of food before it was consumed by the children. This foolish procedure, designed undoubtedly to prevent cheating, not only took time and energy from other activities but, ironically, served no useful purpose since there was no one in the state who ever looked at the records, including the Nutrition Consultant. Nevertheless, those records were supposed to be maintained at the site for at least three years, but there were no procedures either for using them or disposing of them.

Both the nutrition consultant and account clerk stated that inadequate funds and not enough staff were the major problems they had in providing food services. The day care operators identified "not enough help from the state" and "the lack of cooperation from agencies" as major food service problems.

Overall, it appeared that the food program suffered from not having been incorporated into a total statewide day care design.

## Health

The Federal Interagency Day Care Requirements are explicit about the provision of health services:

> V Health and Nutrition Services
> Interagency Requirements
>
> 1. The operating agency must assure that the health of the children and the safety of the environment are supervised by a qualified physician.
>
> 2. Each child must receive dental, medical and other health evaluations appropriate

to his age upon entering day care and subsequently at intervals appropriate to his age and state of health.

3. Arrangements must be made for medical and dental care and other related treatment for each child using existing community resources. In the absence of other financial resources, the operating or administering agency must provide, whenever authorized by law, such treatment with its own funds.

4. The facility must provide a daily evaluation of each child for indications of illness.

5. The operating agency must ensure that each child has available to him all immunications appropriate to his age.

6. Advance arrangements must be made for the care of a child who is injured or becomes ill, including isolation if necessary, notification of his parents, and provisions for emergency medical care or first aid.

7. The facility msut provide adequate and nutritious meals and snacks prepared in a safe and sanitary manner. Consultation should be available from a qualified nutritionist or food service specialist.

8. All staff members of the facility must be aware of the hazards of infection and accidents and how they can minimize such hazards. [1]

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[1] Op. Cit., pp.11-12

The Vermont 4-C Manual suggests the following guidelines for the provision of health services:

> ## Health
>
> Health services are one aspect of child care readily amenable to coordination because of the general agreement between agencies as to what is required. Creative coordination is required to bring together all available resources to provide what is needed for children in a variety of child care situations.
>
> The basic needs are:
>
> An examination of the child on entering a program, and periodic check-ups.
>
> A standard course of immunizations.
>
> Treatment of existing health deficiencies.
>
> Instruction of staff in handling problems or maintaining good health in the children.
>
> Professional attention for illnesses or injuries.
>
> The group charged with arranging coordination of health services should include, or consult closely with, the local medical association, the public health agency, local Parent and Child Centers, the Model Cities agency, and any other agency or program involved in community health.
>
> Uniform health records will assure that children are not put through costly and unnecessary health examinations and that staff time is not wasted on translating information when a child is referred from one agency to another. The development of such a uniform record system should be one of the primary concerns of the group planning health coordination. The system should be compatible with the school systems' health records.

> A number of good health record systems are available. One prepared by the Head Start program is included in the Appendices. Your Public Health Service and school system also have record systems. 1/

LICD site data indicated that only 54% of the operators provided health services in the form of examinations, but not treatment.

Most operators had an emergency procedure when and if a child became ill or had an accident and most of them called the parents. Sixty percent of the operators also called the family doctor, took the child to a doctor, hospital, or treatment facility, handled the problem at the site, and/or isolated the sick child care the facility. More than half the operators said their enrollees included either mentally handicapped, physically handicapped or emotionally handicapped children. None of the sites surveyed had more than two handicapped children. Seven operators said they were servicing mentally handicapped children, eight served physically handicapped children (with a range of 1-5 per site) and twelve served emotionally disturbed children (with a range of 1-10 per site.) When asked how they had arrived at these classifications, most of the operators said they "just know" and were "told by the parents." Others knew from "test results" and "agency identification." Others said the site's medical advisor had made the diagnosis. 2/

It would appear that Vermont had not found a way to comply with either the FIADCR or the 4-C guidelines when a state official, at an orientation session on February 3, 1972, said that the state had no money for physical examinations, given the existing day care rate, and that Medicaid was the only available resource for those unable to buy health care. When interviewed, State officials and day care operators agreed that inadequate funding was the major problem in providing health services.

Analysis of this important ancillary service indicated that funding alone wouldn't solve the problem unless some other important issues were also resolved. Vermont needed answers to some basic questions, such as:

°Was there a statewide inventory of all health care resources by type, location, availability and cost?

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1/ Op. Cit.

2/ The site with ten emotionally disturbed children had a medical advisor.

°What criteria were used by day care operators and staff to determine a child's health status?

°Was there a standard procedure for ensuring that all children received examinations and health care appropriate to their needs ?

°Was there a procedure for providing statewide health care by helping communities share available resources, such as physicians, dentists, nutritionists, therapists and emergency equipment?

°Was there a procedure to identify, diagnose and provide care for children with special health problems such as physical or mental handicaps or emotional problems?

°Since FAP and Title IV-A children were eligible for Medicaid, and Head Start health services were available to some of the children, why wasn't the Head Start health care system expanded to include all the day care children?

In sum, the lack of adequate health care services probably resulted as much from a fragmented, unsystematic approach as from inadequate funds.

## Transportation

In one of the earliest LICD interviews, a state day care official said, "In Vermont, there is never enough money for transportation." Recognizing the importance of adequate transportation to a day care system, the Vermont 4-C Manual states:

> The availability of transportation can be critical to carrying out effective services for children and families; individually operated autos or buses can be prohibitively expensive for small programs.
>
> As an initial step in coordination, participating agencies should investigate the possibilities of sharing the presently available transportation among programs, both for transporting children and other purposes, such as attending staff training sessions.

> As community-wide program coordination progresses, the 4-C agency may want to develop transportation arrangements with taxi companies or public transit systems that can serve a wide variety of agencies. 1/

As an attempt to respond to transportation needs, Vermont provided one dollar per day (to FAP eligible families who needed it) for transportation to and from any day care facility. This "add-on" was to be handled through the area 4-Cs but our data did not uncover any statewide procedure to provide the transportation itself. However, there seemed to be less concern about this issue than any of the others examined, with few problems expressed by a small number of those interviewed.

Only 42% of the operators provided transportation services and generally provided it both ways. Most of the children were driven to the day care sites by their parents in less than 15 minutes. About 20% of the day care families traveled 15-30 minutes each way and one family drove over an hour each way. A number of children walked with their parents, and some of the children were driven by a member of the day care staff. Some were taken in a public bus by a parent, or neighbor, some rode a school bus, walked alone or took a taxi alone. Only nine parents saw transportation as a problem and six said it was a problem "occasionally." Those who had problems cited car trouble, weather and no transportation system for children living far out of town. Most of the parents suggested more and better buses as a solution. Others suggested car pools and more money for drivers as possible solutions.

Both operators and state officials agreed that inadequate funds and a lack of community support were the major problems in providing transportation services.

Overall, Vermont seemed to be meeting transportation needs reasonably well, at least for those youngsters enrolled in the program. It may be important to Vermont, however, to determine if there were FAP eligible families who didn't participate in the program because they had no transporation.

## Use of Support Resources

A majority of the day care operators had a regular procedure to obtain services for their day care children. Health and food services were provided most frequently, while transportation and education services seemed to be second priorities since those services were expected from local public and private agencies. Only six operators said that State day care officials were involved in the provision of these services. In other places, Head Start, parents,

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1/ Vermont 4-C Manual.

and the day care staff were involved. Only about half of the operators who provided supportive services used forms or other documents in their procedure and only half of the operators were satisfied with their procedures.

Nearly all of the board members interviewed said that their boards were regularly involved in the provision of services to the day care site, and were more concerned with social services than with food, health or transportation.

Degrees of involvement varied. Board members brought referral information to the day care operator, located resources, and donated services and/or materials to the site. About 1/3 of the boards arranged for agencies to provide a referral service and supply services. Local private and public agency personnel were the key actors, assisted by a few of the board members. On the whole, site day care staffs did not rank transportation, food, and health services as top priority. The need for equipment and supplies was more important to them, but they ranked health as the most necessary service. They also said they would use more money to purchase health and transportation services before they would invest in food services and identified dental and psychological examinations and treatment as more important than physical examinations and treatment.

By and large, most of the day care operators were satisfied with the quality of the health, transportation and food services they were providing to the children and said food services were better than transportation services, and that health services were least satisfactory. They identified two major problems as inadequate funds, especially for health and transportation and "not enough help from the state," especially with health and food services. A lack of community interest mildly affected all three services. Several operators made additional comments regarding health services: "Not enough money especially for dental care...lack of solid 4-C coordination...CAA not cooperating... agency staff could be more interested..." Others commented on the food services: "Inadequate standards...cook could be better... not enough services available...do not reach all the children and would like to...need a new facility...inadequate staff training."

All of the parents interviewed said they were reasonably satisfied with the day care service their children were receiving. Only one parent was not satisfied with the food, two parents were not satisfied with the health care and two parents felt there were not enough adults for all the children. When asked if there was any service they wished the day care program would provide, three parents requested dental services, four suggested transportation and six parents wanted health care.

Basically, state officials and day care operators agreed on the major problems with providing these supportive day care services. Of those who said there were problems, all agreed that inadequate funds was the major problem for health, food and transportation services. In addition to inadequate funds, state officials agreed that a lack of resources and not enough help from the State were major problems in providing health services. They also agreed that a lack of community support was a major problem in providing transportation services. Problems identified with the provision of food services created some differences of opinion between state officials and operators who identified uncooperative agencies and not enough help from the state as the source of trouble, while state officials named not enough staff or money as the major problems. One state official said the overall problem was that operators and parents needed to know more about existing services and how to get them, especially during the organizing period. But here, again, the burden for knowing "what to do" was transferred to the parents and providers who couldn't be expected to "know" unless some method was found to distribute useful information at the 4-C or state levels.

## Payment for Support Services

Slightly more than half of the day care operators said they paid for food, educational services and supplies with their own resources. 34% paid for transportation, 10% paid for health care and fewer than 10% paid for social services. Some of the other services the day care operators said they paid for with their own resources included clothing for the poorest children, entertainment and training costs.

In general, health services were paid through Medicaid and federal grant money.

However, food, health care and transportation services relied on donations of money and services as well as the reimbursement fee.

In the provision of support services, one third of the board members surveyed said they helped to provide educational services, supplies, health care and transportation, Board members also said they provided food, social services, carpentry and painting, maintenance, fund raising, legal and administrative services. It should be noted here, however, that board participation in the LICD survey represented less than 10% of the fifty sites surveyed since many sites had no boards or had representative "umbrella" boards.

In general, state officials' perception of payment for support services agreed with that of the site people. State staff added the information that the special food program of the state Department of Education provided food for about one half of the day care centers at a cost of $55,000 in FY 1971 which jumped to nearly $105,000. in FY 1972.

## Places and Things

As important supportive resources, places and things were examined to assess their relative importance to the day care service. Twenty two of the day care sites surveyed owned the property where the program was located. Value of the property ranged from $9,000. to $40,000.00. Five of the twenty two were centers whose value ranged from $10,000.00 to $100,000.00 Twenty sites rented space from $1.00 per month to $250.00 per month. Others used church, school or college property which had been donated. There was a stipulation in one 4-C area that day care operations were to use donated property. In some cases, a day care site could only pay utilities. About half the day care sites operated out of private homes where the service was provided in part of the living quarters. Only seven day care facilities were used exclusively for day care services. The other sites were used for activities of the churches, schools and community social centers where day care was located. One day care center was in the same building as a Head Start. Most of the day care facilities had been renovated to some extent between 1970 and 1971 and more than half of the renovations were made to meet licensing requirements and for expansion. Renovation costs ranged from $10.00 to $10,000.00, with most of the costs ranging from $250. to $1,000.

Sixty percent of the operators said they planned further renovations from painting to adding a new room. About half the operators said they needed a fenced yard and kitchen equipment but could not afford them. Others needed additional space for special purposes such as nap rooms and improved toilet facilities. Most of the day care operators had purchased their day care equipment and furniture while others used donated furniture or equipment or made it themselves.

Regardless of all the other dimensions of Vermont's FAP day care pretest, what may turn out to be a most significant factor was implied in the information that about half of the sample sites operated out of private homes. Vermont's pretest challenged the assumption that quality child care was somehow related to centers or institutional facilities, rather than a product of human interaction and imaginative use of resources. If the Vermont experiment was disappointing to some, that reaction may have been more a consequence of unrealized potential than imperfect achievement.

## Chapter 7

## Information

## Chapter 7

## Information

Because of the special importance of information as central to the day care system, the LICD investigation focused on how information was obtained, selected, stored, used and disseminated. Starting with the Baseline Survey, [1] Vermont attempted to collect information about day care needs and resources. Except for the field data collection related to the Mathematica study, however, we learned that decision-makers did not systematically attempt to obtain information from the field until well into the second year of the pretest. Feedback information would have been useful not only for obtaining current assessments of client needs and resource inventories, but, equally important, it could have been useful in determining how well the system was working. Most of the regular feedback from sites to 4-C to state consisted of complaints or crises which needed immediate action, but no central record was kept of such transactions either for operating decisions or for long-range planning.

Field people at the state level each worked independently and kept their own records and files. Recognizing the problem, Vermont OCD, early in FY 1972, began to develop a formal management information system which was still in the trial and error stage during the closing period of the LICD study.

Community contacts, by and large, consisted of state staff explaining or announcing changes in FAP policies and procedures. In describing those meetings, several site operators said that questions raised from the floor about day to day operating problems were set aside as "not relevant" or to be dealt with "at another time." The general impression we received was of a one way information system, top down with no method to test whether or not the "message" had been received, understood or correctly applied.

To identify the nature and extent of Vermont's information problems, LICD staff asked many of the same or similar questions (about routine operating matters) of persons at all levels of the system, state 4-Cs and day care sites. By comparing responses, we were able to identify major areas where actions were taken on the assumption that others "just knew." For example,

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1/ Mathematica, Inc., Family Assistance Program Planning Papers, Volume V. Reports on the Baseline Survey and Cost Projections, March, 1971.

several state officials each thought another of them exercised day care budget control when, in fact, no one did. Site level people were expected to comply with complicated regulations on the faulty assumption that they had copies of them, had read and understood them, knew what to do in order to comply with them or knew where to turn for assistance.

The point, here, is that there was no systematic flow of information which could be tapped and adjusted as needed. Consequently, many of the problems which seemed to defy resolution, when traced to their source, revealed that information was missing, was incomplete, was incomprehensive, was inaccurate or was late. Consequently, some 4-C leaders and site operators attempted to develop policies and procedures to meet their own needs for firm statements of fact, whether or not they meshed with "official" positions.

As evidence of its sensitivity to the problem, the SOCD's FY 1973 funding proposal contained new positions which carried the promise of capability to deal with information systems questions. These included a half time Communications Specialist, an Administrative Analyst, a Policy/Procedures Specialist, an Operations Analyst and a Services Coordinator. Eliminated from the budget, however, were positions which reflected child care expertise, such as program trainers and technical assistance personnel, in accordance with the new plan to delegate "child care work" to the 4-C level during the third year of the pretest when the SOCD would play a more coordinative and management role.

## Findings

### Referral Systems

LICD examined referral systems as components of an information system.

Most of the state officials surveyed said they did not use a regular referral procedure to obtain services for day care children. Those who did use a referral procedure included three of the Training and Technical Assistance Specialists, a Licenser, the Teacher Corps Intern, and the Child Nutrition Consultant. Referral procedures were for the following services: social services, health, transporation, food and education. Most of the services were provided by local public agency people. Local private agency personnel and State Day Care officials also participated in the referral procedures but not as frequently as public agency people. Three of the state officials indicated that the referral system did not use forms or other documents. Most referrals were informally made. And only two state people used forms. There was no uniformity in the operation of the referral system, even at the state level. Three people felt that the system was satisfactory, four did not and blamed inadequate funds, lack of other resources and no community support. One state official said that the system "was incomplete at this time." Only one state official stated that agencies referred families to him for day care services and this was done by telephone. Follow-up on referrals was done informally through feedback from the families to the agency and vice versa.

Most of the State employees interviewed stated that their agency had not developed a procedure to direct families to other agencies, or they did not know if their agency had a procedure. One person described the procedure as being done "collectively with and through FAP components,' another said she "went through the 4-C committee," and another said that if there was a procedure, it would be at the local level. One person said that a manual code book had just been completed for referrals and another said that "several volumes have been written by the FAP planning staff on referral mechanisms."

At the 4-C level there seemed to be some real confusion about "what FAP is" and which agencies were FAP-related. In all cases cited, FAP remained an amorphous entity in the minds of the 4-C leaders. None could list which FAP-related agencies existed in their community. Family referrals were made to long established agencies, without a systematic connection to FAP, although many of the 4-C leaders mentioned FAP frequently during the course of the interviews.

There also seemed to be some real confusion about the "referral system" itself. Based on the information collected, LICD investigators found that there were no formal referral systems existing in the 4-Cs. Referrals were made by telephone or personal contact and most 4-Cs followed up referrals "out of curiosity." One 4-C chairwoman said she "asks the family to call back if the referral does not work out." Others received feed-back from operators. One 4-C used referral forms, but only for family referrals to child care.

The HEW/Vermont FAP contract charged Vermont with the responsibility to develop a referral system for the activities of agencies contributing to the registration and service features of FAP. In the same contract, Vermont was charged with the responsibility to design referral procedures between day care and other FAP components. "Of particular concern will be referrals for supportive services for children." 1/ There was little evidence that such a state initiated system existed. One the contrary, there seemed to be very few directives regarding FAP agency coordination and referral systems from the state to the 4-C area committees.

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1/ HEW/Vermont Contract, p. 8

In the draft of the Regional 4-C Committee Administrative Grant Procedure, the 4-C was given responsibility to "ensure that public and private agencies are aware and utilize a systematic referral system designed to identify and certify eligible children, counseling families regarding child care possibilites, place children and evaluate placement of all children." 1/ In addition to that, the 4-C must "coordinate with child care operators, state offices, and organizations to ensure the successful development of services to meet child care needs in the area." 2/ Only four 4-C leaders rated their referral system as satisfactory while two 4-C leaders cited the lack of staff and non-cooperative agencies as problems in providing referral service. 3/

Other than those two major responsibilities there was no mention of a referral system to other FAP components. Only three 4-Cs seem to be putting their energies into coordinating services and providing referrals to "insure the successful development of services to meet child care needs in the area," and most of what was done was informal. It would appear that a statewide referral system will need to be established if the 4-C organizations are to be held responsible for this FAP-related activity.

## At the Day Care Operating Level

Most of the day care operators said they received families referred to them by other agencies and that referrals were made by telephone or through personal contact. In most situations, the referrals were followed up either by the referral agency calling back or through informal feedback from the families to the agency. In a very few situations, the operator would write a report which was sent back to the agency.

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1/ See Appendix E-1.

2/ Ibid.

3/ See Appendix I for breakdown of services by Area 4-C.

## FAP Referral

Most of the operators did not have a procedure to refer children or their families to other FAP component programs. Four centers outside of the Champlain Valley and Lamoille County 4-Cs (where the E&D project operated) had a FAP referral system. According to the day care operators, they referred families to the FAP Vocational Rehabilitation project, social services and work/training. Of the thirteen sites surveyed in the Champlain Valley and Lamoille 4-Cs, half of them were caretakers. Three of the five centers in these two 4-C areas had a FAP referral procedure. One sent all referrals to the 4-C. One caretaker in this region commented that she had never heard of FAP. Although it appeared that the referral procedure was pretty informal and personal, more than half the directors had developed a procedure to direct families to other agencies for services. Referrals were usually made by telephone or personal contact. One operator accompanied the families to the agencies to "help them understand the regulations." In two situations, the day care staff and the 4-C were trying to get local agencies to coordinate or to publish a directory of all available services. Most of the operators said they did not know or had not referred any of their families to the FAP Vocational Rehabiliation project. Of the thirteen surveyed in the Champlain Valley and Lamoille 4-C area, only three operators had referred families to Vocational Rehabiliation, but seven outside of the E&D area said families were referred to that project. Day care site Board members said that referrals were made by telephone and personal contact. Most of the boards followed-up through informal feedback from the families. Some of the boards said they had problems with the referral system, mainly due to inadequate funds and the unavailability of resources.

In summary, the Vermont referral system was so informal that referrals depended on personal knowledge of available resources and ability to obtain them. In only a few situations were forms used. Findings show that more people were referred to day care than the other way around.

### FAP Referral System in the Burlington-Morrisville Area

Champlain Valley and Lamoille County 4-Cs served the FAP Manpower Experiment and Demonstration Program in the Burlington-Morrisville area.

About 40% of the total number of families with an adult member participating in the E&D project had their children in day care services. A few other families participated in the E&D Program from elsewhere in the state, but the greatest concentration of families lived within the Burlington-Morrisville region.

About half the families that were referred to the FAP Vocational Rehabilitation Project lived in the Champlain Valley and Lamoille 4-C area and most of the referrals were made by one group home and two centers. The other ten sites in the two 4-C regions in question did not know if families had been referred to the FAP Project. Most of the other referrals were made in Windsor County. Only 28% of the surveyed families using FAP child care services for manpower training or employment were located within the E and D region. Agencies did not refer families to 38% of the sites surveyed in the E and D region and all of these were homes or caretakers. Only one center had a referral made to it using a form. Telephone and personal contact were used most often to refer to day care. The data show that the referral system in the Burlington-Morrisville area was no different from that in the rest of the state and that follow-ups were informal.

About 62% of the operators in the E and D region did not have a procedure to refer children or their families to other FAP component programs. One small center director referred families to Vocational Rehabilitation, social services and the work/training program. The others sent families to Vocational Rehabilitation or social services. One operator sent all referrals to the 4-C. Other operators who made referrals to the FAP component programs were located within the Rutland, Windsor, Bennington and Central Vermont 4-C areas. Most of the day care operators throughout the state did not make referrals to other FAP components, nor did those in the Burlington-Morrisville area.

Most of the operators in the E and D area had not developed procedures to direct families to other agencies and this was not typical of other operators in the state. Most of the day care operators in the E and D region did not know how much money they received from FAP, but the largest amount reported by one center was $37,000, and the smallest amount was $768. The range for the entire state was $768. - $96,000. About half the day care operators in the Burlington-Morrisville area used the Family Day Care Eligibility and Fee Computation Report forms. About 1/3 of all the operators surveyed used the forms. Few operators in the E and D area used the Parent Declaration of Employment Status and Family Income form. This was also true of the larger sample population. Very few operators in the Burlington-Morrisville area had written instructions for these forms and this was true for the large sample population. Most of the operator in the E and D area said they did not know how they determined FAP or IV-A eligibility or could not answer the question and one operator said that the 4-C determined eligibility. Most of the operators said they did not ask for help with either of the forms and the one operator who did ask for help said it was because the instructions were confusing and she had "problems interpreting the rules."

## FAP Referral at the 4-C Level

The Lamoille 4-C leaders said they had no families participating in the FAP Manpower Experiment and Demonstration Project. Champlain Valley 4-C leaders said they did and provided the information by collecting it from various sources among their own records. Neither Champlain Valley 4-C nor the Lamoille 4-C referred families to the FAP Vocational Rehabilitation Project. Nineteen 4-C families were using FAP child care services in the Lamoille 4-C area so that a parent would work or take training. Both 4-Cs used referral forms but referrals were usually informal telephone or personal contacts. Both 4-Cs said they maintained FAP referral records and both thought the information was useful because they were able to "obtain basic information on the client and his "need to know the FAP potential."

## Records and Reports

Six state officials said they received and reviewed the Family Day Care eligibility records and six others saw the Fee Computation report. Eight officials received and reviewed monthly billing reports from the sites but only two saw expenditure records while four reviewed income records. Seven said they reviewed program evaluation reports and four saw referral information. One employee (identified as a FAP monitor) did not receive FAP referral information but did see other referral materials. Four said they received site enrollee termination data, but the FAP monitor did not. Three received nutrition records and two said they received correspondence from area 4-Cs regularly regarding policy and procedure.

Two employees reviewed site attendance records and one received information through the MIS. It was interesting to note that five persons in the same job category listed different reports and records and that none of them said they received the same information to review. There was no explanation for this except Vermont's informality and the obvious lack of an information system.

These were the LICD findings concerning the day care operators' perception of the role and use of family day care eligibility records, fee computation reports, monthly billing reports, expenditure records, records of income, program evaluations, FAP referral information, other referral information, enrollee termination records and nutrition records:

According to the FAP Interim Guidelines and Operating Procedures issued by the state, the 4-Cs were required to maintain all the above mentioned reports and records, even though each 4-C did not maintain all of these records. Out of the eleven required records, only three were kept by all eight 4-Cs. These were the Family Day Care Eligibility Record, the Fee Computation Report and the Vendor's Monthly Billing Report. Of these, there was consensus that the monthly billing report was the most useful to the 4-C.

Family Day Care Eligibility Records:

Seven operators said that these records were their responsibility and seven said they were the responsibility of the 4-C. Others did not answer or said someone else was responsible. Fifteen operators said that the records were useful and twelve did not find them useful at all. All agreed that they were required by SOCD or 4-C. Some comments regarding usefulness: "It identifies who is eligible...necessary for funding purposes...it sorts out those who need day care... useful in dealing with parents...to know who is eligible."

Fee Computation Report:

Four operators said that this report was the 4-C's responsibility and five said it was their responsibility. The others either did not answer the question or said it was the responsibility of another agency. The report was prepared to meet an OCD/4-C requirement. Fourteen found the report useful and eight did not. Reasons given for the report's usefulness: "for reference to OCD...know the budget...necessary for funding... program planning...estimating income...as part of a management information system...know who has to pay."

Monthly Billing Reports

Twelve operators said the reports were their responsibility, five said they were the responsibility of the 4-C. All agreed they were prepared to meet an OCD/4-C requirement. Twenty one operators said they were useful, nine said they were not. Reasons for usefulness included: "good reference for OCD... good for planning and funding...as indications of billing on parents...helpful for budgeting...so we can receive money... for good records...use a check up in case of problems..."

Expenditure Reports:

Two operators said these were the 4-C's responsibility and fourteen said these reports were their responsibility. The others did not reply or said they were "someone else's responsibility." Most operators agreed they were prepared to meet OCD/4-C requirements. However, unlike the other reports, a great number of the operators prepared the expenditure reports because they were "important." As a result, twenty six found them useful and only three did not. Reasons for usefulness included: "good for bookkeeping accuracy and financial credibility...budgeting...verifies legal use of funds...planning-budgeting...as an indication of billing amounts...tax audit... for center's use...knowledge of where we stand financially... know what has been paid."

The Vendor Certification Record was generally prepared by a 4-C staff person. Some 4-Cs indicated that it was prepared monthly, others stated that it was prepared as "it was needed," "every three months," or "when the information was available."

Records of Income:

Eleven operators said they were the sites' responsibility. In addition to preparing them for SOCD and the 4-C, operators made them a site requirement. Twenty four found the report useful but two did not. Reasons for usefulness included: "good for budgeting...financial credibility...planning... tax forms...audits...know what I have to plan on."

Program Evaluation Reports:

Seven operators said they were responsible for program evaluation reports and others said 4-C or SOCD were responsible for them and required them. Operators said program evaluation was useful because, "it provided feedback on the program...good for program planning...analysis of the program's effectiveness...good for program decisions...helps us see how we've done and how to improve...to see how the children have progressed."

FAP Referral Information:

Only two operators said they were responsible for these records, two said they were the responsibility of the 4-C, two said they were "someone else's" responsibility and the others didn't know. Three said the information was not useful and seven said it was useful because "it was good for program planning...provided family information and explained their motive for involvement...good for reference...getting funds...bookkeeping...and provides background family information."

Other Referral Information:

Five operators said records on general referral information were their responsibility and were prepared primarily to help them in their work. Thirteen operators found the information useful because: "it provides technical information on the children...good for reference...background information on the families...provides a history of the children and the families."

Enrollee Termination Records:

Most of the operators said that these records were their responsibility and were a site requirement. A few said they were prepared because required by SOCD and the 4-C. Sixteen of the operators found the information useful because: "gave the reasons for the individual's terminations...gave funding sources awareness of space needs...feedback information for future use...good for program evaluation."

Nutrition Records:

Most of the operators said that these records were their responsibility in response to a SOCD requirement. Nineteen said the information was useful and seven said it was not. Those who used the records said they were good for: "menu planning...funding analysis of nutrition program...bookkeeping... needed for food billing...assures adequate nutrition...to keep track of the number of people fed and the kinds of meals served." Other records maintained by day care operators included health records for children and staff, children's progress records, emergency information cards, licensing inspection records and daily attendance records.

The food service reimbursement program required that highly detailed control records be maintained at each site for at least three years, under Department of Agriculture regulations. LICD staff could find no rationale for the method used to control food services at the operating level, particularly since no one in Vermont was interviewed with responsibility for reviewing them or using them. We were told, however, that "someone from the Department of Agriculture once looked at a center's records." Control of surplus commodities required records which provided specific information to show dates and amounts of commodities received, how much of each commodity was used during the month and the balance on hand at the close of each reporting period.

## State Perceptions of Sites

State officials said that they thought the sites used the forms described above. Nine officials said the sites had received written instructions for the eligibility forms but others did not know if they had them. One Training and Technical Assistance Specialist said that the sites did not use the forms and explained that the 4-C helped parents complete the Family Eligibility record. Another state employee explained that SOCD and 4-C staffs provided technical assistance to the operators in certifying eligibility. Eleven officials stated that the site operators never asked for their help with the eligibility forms or the fee computation report. Six others explained that the sites had sought their help for the following reasons: "the instructions are confusing...have problems interpreting the rules...the format is confusing... they were unfamiliar with the procedure...the day care staff didn't have time or staff to complete forms and the teachers were more interested in spending time with the children than with forms."

Only one Board of those surveyed did not keep minutes of their meetings. About half the Boards issued reports which included minutes and reports sent to the Board members and constituents reports sent to SOCD or "Washington." Most of the Boards received more reports than they issued, chiefly from the day care operator and the staff. A small portion of the reports received came from the area 4-C and SOCD.

## Certification of Eligibility

Thirteen operators said they did not certify eligibility, twelve completed forms tor both 4-C and SOCD, eight completed forms only for the 4-C. Some other directors verified payroll check stubs or sent the stubs to the 4-C.

There was no uniform procedure which all day care operators followed in certifying the eligibility of day care families. About half the operators requested payroll check stubs from the parents as proof that they were participating in a program which made them eligible for FAP/IV-A day care services. Others requested parent declaration forms, IRS reports, verification from the Department of Employment Security, notes from social workers, or WIN referrals. About half the operators surveyed did not follow any of the procedures for certifying eligibility as specified in the FAP Interim Guidelines. One operator said, "nothing like that is done here, I just took the children and that was that." She had no idea of the FAP procedures and said she had never signed any papers. Most of the operators who recognized the procedures said they complied with the following requirements: parent counseling, preparation of the monthly Family Day Care Eligibility and Fee Computation Report, monthly service billing and maintenance of the daily attendance records. However, most of the operators completed only one copy when duplicates and triplicates were requested. Not all the operators maintained a separate file of active and inactive certifications of eligibility, recorded eligibility data on families at the time of placements, scheduled review and update of employment status, establishment and maintenance of a fee collection account or had procedures to pay fees. Of the thirty seven operators who certified eligibility, only four had problems with their procedure. 1/

Some of these problems were:

> There is an awkwardness and embarassment of people having to get information, which seems like an invasion of family privacy. It would be easier if an outside person would establish this information... It is difficult to obtain the information from the welfare department regarding what funds have been provided...the past three months requirement is confusing to parents whose income changes...it is difficult procedure for families to understand, families often don't have the financial information, the language on the forms is over most people's heads...

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1/ Their procedure was not always the one required in the FAP Interim Guidelines. Only 28 of the operators followed at least one of the FAP procedures.

> The FAP eligibility guidelines are too restricted...families have been dropped because they made too much money...The system should be changed...You get people's hopes up and then dash them. Pretty soon they won't believe anything about the government.

One operator was trying to devise a system so that the operator didn't have to submit three copies with parent's signature on each and suggested one form with the parents' signature which the 4-C and SOCD would also sign, then photocopy and return. As it was, the operator did not receive a completed copy. One operator said she didn't have enough information to know who was eligible for FAP.

Forty percent of the day care operators used the Family Day Care Eligibility and Fee Computation Report forms, 30 percent of them had no knowledge of them and the rest did not use them. Only 32 percent of the operators used the Parent Declaration of Employment Status and Family Income form, 30 percent had never heard of it and the rest did use it. Not all the operators who used these forms had instructions for using them. Those who did not use the forms said they determined family eligibility by "using their own forms...using the government guidelines for Title IV A...the 4-C tells the operators who is eligible...use only for FAP...For IV-A only...Montpelier says to use Food Stamp guideline and add $100 per child in day care and compare with net monthly income...Sends in the payroll check stubs to OCCSA and refer to a chart to tell the family whether they are qualified or not for IV-A...guy from the employment security office told me that the FAP mother was eligible." Most of the operators using these forms had asked for help because they had problems interpreting the rules, or the instructions were confusing. Some thought that the format was confusing and did not receive instructions. Another operator thought the state technical advisor had provided her with inadequate information. One operator said the "parent did not seem to fit the form."

The following are changes that the operators recommended to solve some of the problems with certifying eligibility and using the fee-rate schedule:

> Simplify...Basic problem is the attitude toward day care...changes should reflect changing attitudes...Schedules are temporary...messiness indicates malaise in day care, if the program were set, the format could be simplified... there is no current fee/rate schedule, one is being set up...day care has no equipment for the minute calculations being proposed--the operator's copy should be simple without all the calculations...A uniform FAP and IV-A schedule has been issued but it is not in effect yet...should consolidate forms and simplify them...should have

> a simple scale in an easily read graph to avoid individual computation...do not like fee/rate schedule, sliding scale and personal circumstances information...eligibility regulations should be more flexible to meet needs of individual families...other things should be taken into consideration besides how much they earn on the sliding scale... the rate is the same whether it is 35 hours or 45 hours, those added 10 hours are hard... The second child is half the family rate but that second child is twice as hard on the furniture...If someone is eligible I would like to be able to send them to the 4-C and let them do the work, it takes me away from the children too much."

One operator suggested:

> Streamline the billing procedure, make the form useful to the centers (sites) rather than to the (state) agencies; make the attendance forms the same, complete them less frequently, and raise the rates... presently it involves a time consuming computation that should be tabulized...

It is interesting to note that both the day care operator and state officials who had helped the operators with the eligibility and fee computation reports isolated the major problem as being the interpretation of the rules.

About half the operators either did not know or could not estimate how long it took the 4-C to approve a family's certification of eligibility. Most of those who did answer said it took from 1 to 3 days. Others said it took from 2 to 4 weeks. Some operators certified families on the spot and sent the forms to the 4-C for confirmation. Seventeen day care operators said they had been forced to drop children who lost federal funding. One operator continued to serve those children "at a loss." Two of the main reasons cited by operators for dropping children were that parents could not find employment or that the parent made too much money, the same reasons pinpointed by the state officials. Some of the other contributing factors included parents being laid off or parent illness. In the Northeast Kingdom, Headstart children had to be dropped, said one operator, due to the "gross mismanagement of OCCSA." According to OCCSA officials, Headstart children had to be dropped because Headstart was subsidizing FAP and Title IV-A children so the centers "could provide equal quality day care."

Only three 4-Cs followed the exact same procedure for certifying eligibility, that is, they all completed forms for state approval. There were five different procedures used by the rest of the 4-Cs to certify eligibility. One 4-C completed state forms, reviewed reports from the sites and certified the families. Another 4-C telephoned the eligible families, made sure the check stubs were on file at the center, reviewed reports from the sites and certified families. Two 4-Cs completed state forms, reviewed reports from the sites, followed the information with the vendors and certified eligibility. One 4-C staff certified eligibility when monthly billing forms were received. Two 4-C directors mentioned that an SOCD staff person played an active role in certifying eligibility. One problem with certifying eligibility was that the centers occasionally added "visiting" children on the billing record. One 4-C director complained about the lack of direction from SOCD, saying there was no written policy and what did exist was constantly changing and the 4-C, rarely notified. Another 4-C had difficulty obtaining information from the operators and clients. Each 4-C developed its own forms and attempted to keep its own records in its own way. The result was a conglomeration of unrelated data which could not be correlated at the state level.

Problems with certifying eligibility seemed to be traceable to the FAP guidelines. One 4-C chairperson said, "You have to be Jesus Christ in order to be eligible for FAP!" Several 4-C directors indicated that the FAP eligibility requirements seriously reduced community support for the program when the 4-C found it necessary to turn down other "needy" families seeking child care services. In November, 1971, the Rutland 4-C documented facts on how FAP Interim Guidelines had hurt enrollment and center finances, but received no response from the state. Also, in November, 1971, the Rutland 4-C was given state approval for a before and after school program. In a letter to SOCD, the 4-C director said: "We have approximately $50,000.00 in our Grant for this [before and after school program]. We sent out offers for proposals, surveys were conducted and many personal contacts were made with area superintendents, principals and other interested individuals. We received four excellent proposals ($35,000.) but due to Interim FAP guidelines, it became literally impossible to qualify FAP eligible children to honor these proposals. What a disappointing image we have created."

The 4-C Interim Policy Guide urges 4-C communities to be sensitive to certain considerations: e.g., "Rules and practice which inhibit innovation and program improvements are against the letter and intent of the program; and rigidity in priorities which prevents service to groups with very specialized needs are not acceptable to the program." Some 4-C leaders believe that the FAP concept conflicts with the 4-C guidelines which encourage a wider clientele than the more selective FAP guidlines permit.

Local Level

Most of the parents said they heard about the day care service through a friend. The next largest number of parents using the day care services were referred to them by local agencies. Less than 1/3 found out about FAP day care through a state agency. Newspapers were the third most popular source of information and a number of parents said they heard about the day care service through an OEO Program, another day care site or "word-of-mouth." About six parents had helped to start the day care site where their children were enrolled. These findings suggest that the local day care operators used an informal public information system in which personal contact played an important role. The local state agency referral systems seemed to be more effective than the state's FAP referral system.

Most of the directors said that they did not have a public information system to tell the story of their program. Those that did generally used the newspapers or contacted local officials. Some used direct mailings, telephone, radio and public meetings to tell the story and very few used television. A few of the directors distributed pamphlets, put up posters, had community open houses or spoke at service club meetings.

The majority of the directors indicated that day care was not discussed at their community's last annual town meeting. Of the seven community town meetings where day care was discussed, four of the day care sites had representatives participating in the discussion.

Most of the site day care advisory boards said they had a public information system and used newspapers and contact with local officials most frequently. Pamphlets, brochures, radio and TV were also used, but less often.

Most of the board members said either that day care was not discussed at their community's last Town Meeting or they did not know if it was discussed. In three of the four communitys' Town Meetings where day care was discussed, the board members participated in the discussion.

These findings suggest that the day care advisory boards played a role in advertising day care services and assumed some of the public information system function for the day care operators.

At the close of FY 1972, one 4-C Committee decided to meet its public relations responsibilities by making a film about Title IV-A guidelines, using $8,000 of surplus administrative funds. This group felt that legislators and the general public needed information about day care's potential for child development.

Communications

Most of the Vermonters employed by day care heard about their jobs through a friend or a newspaper advertisement. Neighbors, relatives, community organizations, 4-C committees and the employment service were other sources of job information. Some of the directors and their staffs had helped to organize the sites.

State employees said they heard about their jobs through their "old" jobs and came to the day care program from the state Department of Social Welfare, the State Personnel Department, Department of Education and the State Office of Economic Opportunity. Others had been with local community action agencies. At every level, recruiting was informal and highly personal, a characteristic of Vermont's information processes.

There was considerable variation in the amount and frequency of direct contact between state and local people. Some state officials, such as the Program Developers, Trainers and Licensers, spent their time in the field and worked closely with 4-C leaders and day care providers. Frequency varied from "once a year" to "every two weeks," but several state people said there were telephone contacts on a more regular basis to help resolve problems. High level state officials met with 4-C representatives and some day care operators occasionally, usually to announce or explain changes in policy or funding levels, but most communication from decision makers took the form of policy directives in memoranda.

Correspondence from state to federal officials sometimes contained the same pleas for "urgent decisions" on policy matters that appeared in correspondence from 4-C leaders to the state. Long lists of questions needing answers moved back and forth from Montpelier to Washington as the need for information grew in direct proportion to the complexities of the program. Stridency came through occasionally as patience wore thin from long delayed responses from Washington to Vermont and on down the line.

Semantics presented some problems, too. Unlicensed day care sites were called "Caretakers" in Vermont, but some of them were confused with satellite homes and other types of licensed homes. Nearly everyone at the state and 4-C level referred to day care facilities as "centers," further confusing communications because of the several distinctive categories of day care providers which included two types of centers, those licensed for thirty or more children and those approved for less than thirty children. In order to handle these distinctions, LICD consistently identified all day care providers as "sites."

Another source of anxiety among persons involved in the Vermont day care system was speculative information about pending national legislation. LICD investigators were asked about various proposed amendments and bills concerning welfare reform and child care by about half of all person's interviewed. We also noted that certain state officials toward the close of our study had begun to receive daily copies of the Congressional Record, another manifestation of growing interest in national affairs and their implications for Vermont.

## Time to Listen...

As stated at the beginning of this chapter, information is the core of any system, particularly for decision-makers. Since Vermont's day care program had no feed-back mechanism, policy and procedural decisions were made without consideration of ideas or information from the people involved in the day-to-day operations.

One of the major consequences of not listening was that decision-makers at the top were working from assumptions rather than facts, which were available but needed ferreting out. To test this hypothesis, LICD interviewers posed this question: "If you had the power, how would you change the Vermont Day Care System?" There were a total of 698 responses to that question. Of the sixty people who had no comment, 34% were parents, 27% were day care site staff, 19% were site board members, 17% were day care operators and 9% were state officials. The other responses were organized into LICD's twelve working categories: people, places, things, systems, time, money, health, transportation, food, licensing and child-adult ratios. Systems received the highest number of responses followed by people and money. The major concern of the operators and day care staff centered around people. The advisory board members, parents and Vermont state officials were most concerned with systems. Some of the responses were expressed in the form of complaints, with suggestions to remedy the problems. Others described new and different approaches to the day care system.

The summary below highlights those responses which seemed to be repeated frequently or which, as far as we know, were not under consideration by decision-makers as this was written:

A number of people commented that there was too much emphasis on organization and eligibility-that more energies should be focused on the children and how to improve the system to support child development. One operator suggested that all eligibility and money matters should be taken out of SOCD and given to another agency. She also suggested that the parents should pay the operators directly and be reimbursed directly by another agency which would be responsible for determining eligibility; that way, OCD could then reorganize to focus on staff training and child development.

Several people suggested that the state put some administrative money into establishing a central "warehouse" where day care operators could purchase or borrow day care equipment and supplies.

Another person wanted to shift priorities and complained that children in some centers had no supplies while the state was considering a closed circuit television system.1/

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1/ HEW-Vermont Contract

Many people suggested that eligibility should include families of all socio-economic levels and include non-working mothers and marginal families (i.e., those families almost eligible). Others suggested that the fee should be based on net income not gross income in order to more realistically assess ability to pay.

One director suggested that the day care staffs should be given one week off every year for a statewide training workshop which would include the children who could benefit, too, from the exposure to new people and new experiences.

Some people suggested a referral system for children--not families. Others suggested that the day care staff should participate in planning and receive a good training program before a site opened its doors.

Some suggested that the state should provide specialists in music, art, dance, etc., and work with the children and the staff in their own facilities. Several suggested that monitoring and evaluation should be done by people who are familiar with pre-school curriculum. One person wanted more funds to build "good" day care centers rather than trying to modify existing buildings. Some people suggested that there should be 24-hour child care service in accessible homes to provide emergency services. Others suggested that the eligibility requirements make allowances for the need for temporary, emergency service and health care, and should consider special needs associated with pregnancy. One person suggested a statewide personnel system to define responsibilities between 4-C vis a vis SOCD and complained, "If we have to fill out forms for compliance, why doesn't someone check on us to see if we are doing it?"

Interestingly, only ninety six out of six hundred ninety eight responses mentioned "more money" as a desirable change, while two hundred ten responses (the largest category) were concerned with "how things get done" or systems.

## Summary

LICD findings verified the importance and impact of Vermont's information processes on "how well" the day care system operated. There was no part of the system unaffected by the availability or absence of accurate, timely, useful information, but some elements of the system were more dependent on information and, hence, more visibly affected, such as compliance enforcement and decision-making. Vermont's movement toward automation and a management information system indicated an awareness of the problem.

The state's characteristic informality could be an important feed-back asset if used as an integral element of a statewide information system. LICD's use of the question, "If you had the power, how would you change the day care system?" demonstrated the value of providing an opportunity for the real experts--the people who are the system--to be heard.

Several 4-C leaders presented arguments against the FAP day care eligibility requirements. In essence, they said that day care "should not be a political football" nor should it be treated as something dirty, "like food stamps." In sum, day care shouldn't have anything to do with poverty. It should have lots to do with children and child development. As 4-C is now operating for low income families, "we are only isolating poverty and turning out bigger and better poverty children, but 4-C is unable to focus on the full development of the child." "We need to integrate all socio-economic levels so the public and community would give wider support of the program. As it is now, the whole community is reluctant to support another poverty effort and the Federal funding doesn't provide a stable atmosphere for an ongoing program when, in the next few months, the 4-C may not be around."

One very striking thing we noticed in the numerous reports on the status of day care in Vermont was that the progress of day care activity was measured by the number of facilities licensed and the number of spaces created. Other documents and reports projected estimates of the number of FAP and IV-A children to be enrolled at the end of a fiscal year.and those estimates were different in each report. Only the billing records accurately reflected and made a distinction between the number of FAP and IV-A children actually enrolled in day care.

There is no evidence that the SOCD staff collected or reviewed comparative data on the planned and actual number of children enrolled under FAP and title IV-A.

## Public Information

Most of the state officials said they "were going to have" a public information system to tell the story of Vermont's day care program. An SOCD Communications Specialist had been hired early in 1972 and was planning to publish a newsletter and use the media to tell the day care story. He helped to develop a media presentation which would be linked with a national information system.

Most of the Day Care officials in the State Office did not know if day care was discussed in their communities at the most recent Town Meeting.[1] Others said that it was not discussed, and those who said that it was discussed also participated in the discussion.

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[1] Vermont holds annual Town Meetings in each community, some more frequently. In some cases, allocations of public funds are discussed and decided.

## Chapter 8

## Decisions

## Chapter 8

## Decisions

As described in detail in the preceding chapters, decision making in the FAP day care pretest was usually top-down with respect to every aspect of importance except parental option to select the day care providers of their choice. Even then, unless alternative sites were available and readily accessible, that option, too, may have been illusory. For example, important policy decisions either were initiated or approved by federal officials in Washington. Some of these included:

- the decision not to pretest the income maintenance component. 1/
- establishing the amount of the day care reimbursement rate schedule. 2/
- establishing FAP eligibility criteria. 3/
- overall design of the Operations Plan. 4/
- child-adult ratios. 5/
- the UVM model day care and home enrichment center. 6/
- the methodology and evaluation design of Vermont's program quality assessment effort. 7/

At the same time, certain policy questions which could only be decided at the state level were left either unresolved or uncommunicated while regional 4-Cs and day care providers groped for answers, took action on their own or quietly gave up.

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1/ See pp. 68-72, 82, 152.

2/ See pp. 83-84, 128, 130-132, 134.

3/ See HEW-Vermont Contract

4/ Ibid. Also see pp. 162-163.

5/ See pp. 171, 237, 238, 242.

6/ See pp. 117-118.

7/ See pp. 259-261.

The following examples of such unresolved questions surfaced in the field data collected from the state, regional 4-Cs and the day care sites:

- Who was responsible for compliance with the Federal Interagency Day Care Requirements? 1/

  If it was the state, how did the 4-Cs and site operators know what was expected of them?

  How should compliance have been measured - and who should have monitored for compliance?

- Were Caretaker sites included under the FIADCR even though not required to be licensed in Vermont? 2/

  The FIADCR states:

  > These Requirements cover all day care programs...which receive Federal funds... Such programs and facilities must also be licensed or meet the standards of licensing applicable in the State. 3/

  However, state and federal officials stated that in-home care was "not covered in FIADCR." 4/ A paper entitled "Caretaker Appraisal Criteria" was issued by the state in December, 1971, but there was no procedure developed for enforcing compliance. 5/ Did this mean that caretaker homes were not expected to comply with standards?

- Caretaker home enrollment was restricted to children from no more than two families in addition to the Caretakers' own children. Did this mean there was no limit on the number of children cared for in each home? If so, did this mean that the FIADCR child-adult ratios did not apply to Caretakers?

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1/ See Chapter 4 Controls

2/ Ibid, pp. 254-256.

3/ Federal Interagency Day Care Requirements, p. 2

4/ Carcagno and Granato at a meeting, January 25, 1972

5/ See Chapter 4, Controls, p. 254.

- Was there an appeals procedure from a licensing decision? [1]

  If so, how did it work and who should have been contacted for information?

  If not, what recourse was there for an aggrieved day care provider or parents of potential enrollees or a concerned community?

- What was the basis for allocating day care funds and other resources throughout the state? [2]

  Who made those decisions and how could they be appealed or modified if not acceptable to 4-Cs, providers, parents or communities?

- Was there a rationale for referring FAP/IV-A eligible children to certain day care providers? [3]

  If children were not referred to certain licensed facilities, what recourse was open to those operators?

  If certain unlicensed facilities were not acceptable to parents, 4-Cs or the community, what alternative courses of action were open to all of them?

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[1] *Ibid*, pp. 246-247.

[2] See pp. 213-235.

[3] See pp. 298-313.

°If a day care site was licensed as a center but operated in a home, was it eligible to receive DOA food through the state Department of Education which excluded homes from its food program? [1]

And should the state have attempted to standardize its definitions of sites to eliminate such confusing distinctions? [2]

°Could the state have legitimized local matching funds obtained by "donations" from IV-A or FAP parents, or should it have continued to ignore the practice? [3]

Either way, what would have been the impact on the day care program?

In general, LICD investigators found significant dissatisfaction with the decision-making process at every level of inquiry. There was frustration over a lack of specific and timely answers to operating as well as policy questions. This problem touched people everywhere in the program, from federal through state to 4-C and day care sites. In some cases, we found that decisions had been made but had not been adequately communicated. In most cases, however, decisions could not be identified firmly so that they could be acted upon, particularly at the 4-C and site levels.

Because of the importance of decisional input in any operational system, the report which follows has special interest.

## Day Care Staff Decisions

Forty of the day care staff interviewed said they participated in making decisions about running the site, twelve indicated they sometimes made decisions, and six stated that they did not help to make decisions. Decisions that most frequently concerned the staff included the selection of program activities, materials, supplies and equipment. Selecting food, transportation, parent activities and volunteers were issues about which staff members made decisions less frequently. A comparatively small number of staff members made decisions regarding the selection of children and paid staff. Very few staff members helped to determine the amounts of money charged for day care services. Others made decisions regarding policy, job descriptions and evaluations of the children.

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[1] See pp. 298-313.

[2] See Appendix D-2

[3] See pp. 213-235.

Thirty eight of the fifty two who said they made decisions were satisfied with their degree of input. Eleven of them wanted to participate more often. Only one staff member wanted to make decisions less often.

## Decision Making by Parents

Thirty two staff members indicated that parents helped to make decisions about running their day care sites and nine staff members said they did not. Eleven staff members indicated that the parents sometimes helped to make decisions and two did not know whether they did or not. Staff said that parents were listened to most frequently when they offered suggestions or criticism, but were consulted less often at regular meetings or as individuals. According to the staffs, some parents helped to make decisions about day care operations through a parent's group that planned childrens' activities, and some parents helped to hire the staff. Twenty nine staff members felt that parent participation was insufficient and twenty one felt it was just about right.

Most of the day care operators said that the parents helped make decisions about running the day care center. Eleven operators said that the parents did not help make decisions. Operators agreed that most of the parents were listened to when they offered suggestions or critism, were consulted as individuals by the operator. About half the parents were consulted at regular meetings. Half of the operators thought that the parent participation was just about right but a small percentage said that parents should participate more.

Other ways that parents participated in decision making was through the advisory board, mother's groups, or as volunteers. Forty nine of the parents said they were involved in making decisions about the way the day care center was run, twenty six said they did not help make such decisions, and twelve said they sometimes helped to make decisions. Parents said they "talked" to the day care operator whenever they could, were consulted by the operator and made suggestions at meetings,but voted on issues less frequently. A few parents said they talked to the staff, or a parent leader or were volunteers. Twenty seven parents wanted to become more involved and four wanted to be less involved. The remainder of those interviewed seemed to be satisfied with the extent of their participation in decision-making.

In about half the situations where the staff felt that parents could be more involved, the parents agreed. In about one-third of the situations where the staff felt that the parent decision making role was just about right, the parents wanted to be more involved in decisions.

In about one-third of the situations, parents wanted to become more involved in decisions where the operators said the parental involvement "was just about right." At nine sites, parents and operators agreed that parental input was "too little," while at eight other sites, parents and operators agreed that parents did not make decisions--and "shouldn't." In three other cases, parents said they didn't make decisions while the operators said they did.

Where sites had advisory boards or councils, most of the parents said they participated in the work by attending meetings and making suggestions. Some of the other parent activities included fund raising, membership in special parent organizations, and voting on policies. Most of the board members surveyed did not feel that there was enough parent involvement. It should be noted here that advisory boards in the Northeast Kingdom were unique due to the day care program's special relationship with OCCSA. Rather than having a separate board for each day care site, there was an umbrella advisory board with two parent representative from each day care site. Most of the board members interviewed either did not attend the meetings or did not seem too excited about the board's activities because, they said, the board focused on larger community issues which did not concern them as day care parents. The chairwoman of the board, when interviewed, expressed frustration about the fact that OCCSA did its own thing without accounting for its activities to the board. Rather than the board influencing OCCSA decisions, the board was controlled by OCCSA by providing board members with selective information. She said, "We don't know enough to ask for the information in advance. We only ask for it when a problem crops up, and then the information is hard to get." According to the 4-C Board Chairman in the Northeast Kingdom, that board also included parent representatives from each of the participating 4-C Day Care sites. However, when sites were surveyed in the Northeast Kingdom, none of the parents, operators or staff members mentioned parent representation on the 4-C Committee and at LICD interviews, parents, said they wanted more direct control over what affected their centers, especially finances.

## Evaluation/Planning Decisions

Most of the operators said they knew if their program was accomplishing its objectives by observing the children's behavior, from parent's comments, staff evaluation, community feedback, simply "just feeling it." A small percentage knew through complaints, board evaluation, 4-C evaluation and state evaluation. Some operators used parent questionnaires or parent group evaluation, other "got feed back" from a licenser who raised questions and visited other centers to make comparisons. In two situations, the public school provided feedback. Six boards evaluated their programs monthly, two evaluated quarterly, two semi-annually and one annually. Three did so irregularly and four never evaluated at all. Eighty of the parents said they were satisfied with the day-care service their children were receiving and none said they were dissatisfied.

Those parents who had previously placed their children in other day care situations commented that their children were learning more in the new site, getting better care, and had more space for play. They said that the day care service they were receiving was more "professional" than before.

In general, parents made the following suggestions on how they would improve the day care service: "...should be provided on the week-ends and before and after school... provide more recreation...provide infant day care services... provide psychological services...provide more child development and growth activities...more discipline...expanded services for all ages...more money for the day care service...more pay for the staff." Some said there were not enough adults and a few others said there were too many adults.

Parent participation in decision-making, an avowed objective in the HEW/Vermont contract, was built into the Operations Plan as representation on advisory and policy boards, with some appeals procedures for parents(and others) with grievances over equitable representation. The data show, however, that most parent involvement, however limited, resulted from interaction with operators and staff at the sites and somewhat less frequently through formally structured boards. This finding points to the need to reassess prevailing perceptions of parent involvement and to encourage such activities to evolve in a way best suited to the parents.

In summary, then, decisions were made at every level by everyone in the system, with greater or lesser consequences. In the absence of useful information, many operating decisions were responses to crises. And there was no evidence of systematic decision-making which sought and considered information from the field.

Starting with the Operations Plan, the Vermont FAP day care program was itself a response to decisions made in Washington, understandably, since the purpose of the whole exercise was to test the validity of some basic assumptions in proposed federal welfare reform legislation. One of those assumptions was that making money available for child care (with minimum restraints on its use and maximum restraints on eligibility and amounts) would quickly produce enough "satisfactory" day care to meet programmatic needs. Consistent with that assumption, therefore, decisions were made by Vermont state officials who may have underestimated the impact of those decisions on the people most affected, the 4-C Committees, day care providers, community-at-large and day care consumers--parents and children. In this context, the absence of a decision may have been even more significant than an articulated decision since LICD findings substantially supported the notion that "no one was in charge."

The data disclosed, however, not so much that "no one" was in charge of anything but rather, that someone was in charge of economic FAP-related policy decisions while no one seemed to be in charge of day care service delivery child-related decisions. That dichotomous aspect of the pretest had an enormous impact on the character of Vermont's lopsided day care system, and accounted for much of what "went wrong."

# Glossary

# Glossary

Ancillary Services--The support or auxiliary services not included in regular day care programs; i.e., nutrition, transportation, health care and social services.

Area 4-C Committee--(also referred to as regional 4-C). An "umbrella" agency responsible for local coordination and management of Vermont's day care program within a given geographic area, in most cases, within a county.

Caretaker--A child care operator who is legally exempt from State of Vermont Licensing regulations and limited to caring for children from no more than two families in addition to the caretaker's. Services are usually provided in the operator's home.

Child Care Service Grant--A contract between the State of Vermont and a regional 4-C Committee to develop and maintain a program of community day care services for the children of working parents and working guardians through the expenditures of Federal funds available for child care under FAP and ANFC, Title IV-A.

Custodial Child Care--The provision of minimal day care services by an individual or institution other than a child's legal parent or guardian.

Day Care Center--A day care operation serving groups of 12 or more children which provides opportunities for the experience and learning that accompanies a mixing of ages. Generally, children under three years of age are not accepted by centers. (FIADCR)

Day Care Unit--The day care operations staff formerly in the Vermont SOEO, and transferred to the SOCD in August, 1971.

De-bug--To refine a system by eliminating problem areas.

Developmental Child Care--The delivery of day care service which includes mental, physical and dental health services; and social, emotional, and intellectual growth experiences.

Direct Grant Contract--A contract between the State of Vermont and a regional 4-C committee. The state agrees to pay directly to the 4-C committee a sum of money on an agreed upon schedule with few restrictions. The 4-C committee subcontracts with a day care facility to provide child care which adheres to day care requirements. In addition, an adequate accounting system for efficient operation must be established, subject to annual audit.

Direct Services--The provision of the basic minimal services needed to operate a day care facility; such as a child care staff, food services and related program support.

Family Group Home--A day care operation serving only as many children (no more than 10) as it can integrate into its own physical setting and pattern of living. It is especially suitable for infants, toddlers, and sibling groups and for neighborhood based day care programs. (FIADCR)

FAP Interim Guidelines and Operating Procedures--Issued by Joan Babbott, Director, SOCD, to 4-C Chairmen and Day Care operators on August 23, 1971. The instructions therein establish child care eligibility criteria and administrative procedures which apply only to the use of FAP funds.

FAP Planning Staff--

(a) The federal officials in the Office of the Secretary, DHEW, charged with the responsibility for directing the Vermont FAP pretest. (Note: This unit became the Welfare Reform Planning Staff in July, 1971.)

(b) The Vermont unit in the Agency of Human Services, responsible for planning and coordinating the Vermont FAP pretest.

Federal Regional 4-C Committee--An interagency group of Federal officials in Regional offices who work as a team in relation to local 4-C Programs and State 4-C Committees.

Federal Review Panel--Representatives of selected federal agencies responsible for monitoring and approving work of a federal grantee or contractor, i.e.: LICD.

Full-Time Children--Children who attend day care anywhere from five to eight or more hours a day, generally five days a week.

Full-Time Staff--Day care staff who work anywhere from five to eight or more hours a day, generally five days a week.

Funding - (Federal)

(a) Compartmentalized or Categorical financing (funding) of federal programs with specifically defined or special purposes, i.e.: cancer research, public housing, manpower development and training, etc.

(b) Vertical federal financing (funding) of public programs which results in fiscal controls from the top down by means of regulated expenditure and accounting systems.

HR-1--A bill introduced in the House of Representatives during the 1st session of the 92nd Congress (1971) to authorize a family assistance plan providing basic benefits to low income families with children with incentives for employment and training, and to improve the capacity for employment of members of such families by providing such services as day care. (Not passed.)

HR-16311--The Family Assistance Act of 1970, a bill introduced in the 2nd session of the 91st Congress on April 21, 1970 to amend Title IV of the Social Security Act for the purpose of providing a basic level of financial assistance throughout the nation to needy families with children, in a manner which will strengthen family life, encourage work training and self-support, and enhance personal dignity, with a provision to pretest the plan between January 1971 and March, 1972 in two areas of the country. (Not passed.)

Income Maintenance--A public assistance plan to provide minimum financial subsidy to individuals and families of proven economic need. The subsidy may be dispensed through social welfare agencies, unemployment compensation or other social security vehicles.

Inputs--Those ingredients needed to produce or provide a product or service. The functioning or operation elements of a system (see Outputs) such as information, ideas, services or resources.

Interim Policy Guide for the 4-C Program; Pilot Phase--Issued by the Federal Panel on Early Childhood in 1969. Procedures for the establishment and operation of State and local 4-C programs. (4-C.)

Negative Income Tax--A welfare reform proposal which would require broader popular filing of income tax returns so that persons or families with incomes below a specified level could be eligible for direct federal public subsidy.

Operational System--The statewide FAP day care delivery system composed of federal, state and local policies, procedures, and regulations.

Operations Plan--The federally approved policies and procedures for delivering Vermont's statewide FAP day care services.

Outputs--Those elements resulting from the operation of a system; the products of a process. (See Inputs.)

Parent-Employment Factors--Those elements describing the parent's ability to work or participate in training as a result of the availability of day care services.

Part-Time Children--Child attendance from a couple of hours a day, once every week or two, to four hours per day, five days per week.

Part-Time Staff--Day care staff who are paid for twenty hours a week or less.

Pilot Day Care Sites--Nine day care service deliver operations selected by LICD for pre-testing evaluation interview questionnaires in 1971.

Plan--A method devised for making or doing something or achieving an end. A description of "how to do" something.

Planning Design--A structured program of work to be done in order to develop a plan.

Planning Grant--A contract between the State of Vermont and a regional 4-C committee to plan and develop a coordinating mechanism for public and voluntary agencies and parents in order to study community needs and resources, expand day care resources, improve quality of service to children, establish a systematic way of appraising and improving delivery of services, and establish cooperative fiscal administrative and staff career development in child care services.

Planning Process--A systematic series of progressive and interdependent actions to develop a plan.

Program Development--The process of identifying needs or problems, preparing a work plan and identifying appropriate resources to carry out the program.

Program Quality Assessment--The determination of the value received for resources expended, using specific criteria and measurements, and taking into consideration expressed program goals and expectations.

Provisional License--A temporary day care license (Vermont) issued to a day care operation that is considered safe and adequate for a day care service but does not meet all the standards and regulations for a regular day care license. It may be in effect no more than one year and the operator must intend to comply eventually with all the standards where there are deficiencies.

Revenue Sharing (general)--A proposed concept to grant a portion of federal revenues for the general support of state and local government. The grant would be a permanent and automatic distribution of federal funds to states and localities, determined by a defined formula and not subject to annual appropriation by the Congress. Decisions about how to spend the money would be made by recipient governments.

Revenue Sharing (special)--A proposed concept to consolidate some 130 specific federal categorical programs into broader component programs (i.e., education, manpower, transportation, urban community development, rural community development and law enforcement) to be earmarked for "bloc grants" which would be appropriated annually by Congress.

Satellite Home--A family day care home that is directly responsible to a local day care center. In many cases, resources and some program activities are coordinated between the home and the center.

Seed Grant Contract--A contract between the state and a 4-C committee. Under this contract, the 4-C committee subcontracts with a licensed day care facility in order to obtain day care services. The "seed grant money" is applied to the costs of renovating and/or rehabilitating the available facility.

Single State Agency--A state administrative body whose function it is to consolidate responsibility to administer an approved federal program.

Special License--A limited day care license (Vermont) permitting certain exceptions to the standards and regulations for a child day care operation only when there is reason to believe the exception is in the best interest of the children served.

State 4-C Committee--A group of public and private officials and parents at the State level, organized to coordinate State child care activities and to facilitate the work of local 4-C Committees and to coordinate with the federal Regional Committee.

System--A coordinated body of methods; a complex scheme or plan of procedure arranged in an orderly manner; a combination of parts forming a unitary whole.

Target Group--A segment of the population identified with a particular problem towards which federal remedial action and funding are specifically directed.

Technical Assistance--The provision of information and specialized services to improve program components.

Title IV--The section of the Social Security Act, as amended in 1968, that provides grants to states for aid and services to needy families with children and for child welfare services. Title IV is administered by SRS, DHEW.

Title IV-A--The section of the Social Security Act that deals excelusively with Aid to Families with Dependent Children. (See AFNC.)

Title IV-A Administrative Funding Contracts--A contract between the State Office of Child Development and a regional 4-C Committee. Under the terms of this contract, a regional 4-C committee is charged with the responsibility to develop and implement support services with local day care vendors.

Vendor Payments--Payments made to operators of sites for day care services rendered to children.

Vermont Agency of Human Services--This grouping of problem-solving services was created in January, 1971. It includes the State OEO, the Departments of Social Welfare, Corrections, Health, Mental Health and Vocational Rehabilitation, and the FAP Planning staff.

Voucher Payments--A system whereby eligible families can pay for day care services with publicly supplied payment vouchers in lieu of cash. The public agency which dispenses the vouchers reimburses the day care vendor for vouchers received.

Welfare vs. Workfare--Workfare is a new term which has come into recent use to describe the concept of mandatory training for welfare recipients for suitable employment to remove them from the welfare rolls.

## Acronyms

AHS – Agency of Human Services (Vermont). This grouping of problem-solving services was created in January, 1971. It includes the State OEO, the Departments of Social Welfare, Corrections, Health, Mental Health and Vocational Rehabilitation, and the FAP Planning Staff.

ANFC – Aid to Needy Families and Children (Title IV Part A, Section 402 of the Social Security Act as amdended in 1968). The federal grant enabling a state to furnish financial assistance and rehabilitation to needy dependent children and the parents or relatives with whom they are living. This may also be referred to as Aid to Families with Dependent Children. (AFDC).

B-ROC – Bennington-Rutland Opportunity Council (see CAA)

CAA – Community Action Agency. A local community organization, funded primarily by the federal Office of Economic Opportunity under the Economic Opportunity Act of 1964, giving the local community the authority and responsibility to design and implement a plan for combatting the causes and conditions of poverty within the community.

CAP – Community Action Program

4-C – Community Coordinated Child Care. A federal program which encourages communities to develop comprehensive day care and pre-school services coordinated with existing and potential child care efforts. The federal government provides only technical assistance and limited funds for this purpose. (See Federal Regional Committees). On the local level the 4-C program is operated by community volunteers or by paid staffs when local, state or federal funding has been secured.

5-C – Consumer Controlled Comprehensive Child Care. A comprehensive day care program that was developed under the 4-C program and is operated by the parents whose children participate in the program.

CVCAC – Central Vermont Community Action Council (see CAA)

CVOEO – Champlain Valley Office of Economic Opportunity (see CAA)

DOA – U.S. Department of Agriculture

DOL – U.S. Department of Labor

EOA – Economic Opportunities Act, August, 1964. The federal legislation that established the Office of Economic Opportunity (OEO) as the "only federal agency whose primary mission is to strengthen, supplement and coordinate efforts in the furtherance pf a policy to eliminate the paradox of poverty in the midst of plenty."

ES – Employment Security, Department of (Vermont)

## ACRONYMS (CON'T) - 2

ETV - Educational Television

FAA - Family Assistance Act of 1970, also known as HR-16311. A bill introduced in the 2nd session of the 91st Congress (1970) to authorize a family assistance plan with a provision to pretest the plan between January, 1971 and March, 1972 in two areas of the country. (Not passed).

FAP - Family Assistance Plan. A national welfare reform proposal to provide income maintenance, mandatory employment, employment training, social services and day care services for welfare recipients to assist in their transition to economic self-sufficiency.

FAP E & D PROJECT - Family Assistance Plan Experiment and Demonstration Project

FIADCR - Federal Interagency Day Care Requirements.

FY - Fiscal Year (as in FY '72). Usually a twelve month period from July 1 to June 30.

HEW - U.S. Department of Health, Education and Welfare. (Also referred to as DHEW or D/HEW.)

IRS - Internal Revenue Service (Federal)

MDTA - Manpower, Development Training Act. This federal legislation, passed in 1962 and amended by the Social Security Act of 1968, is administered by the Department of Labor. It is a two-fold work-training program composed of institutional and on-the-job training components.

MIS - Management Information System

OCCSA - Orleans County Council of Social Agencies (see CAA)

OCD - Office of Child Development, U.S. Department of Health, Education and Welfare. (see SOCD)

OEO - Office of Economic Opportunity, established within the Executive Office of the U.S. President (see EOA & SOEO)

SCORE - Service Corps of Retired Executives

SDSW - State Department of Social Welfare (Vermont)

SEDFRE - Scholarship, Education and Defense Fund for Racial Equality, Inc.

SEVCA - Southeastern Vermont Community Action (see CAA)

SIT - School International Training

## ACRONYMS (CON'T) - 3

SOCD - State Office of Child Development, Agency of Human Services Vermont. Effective date of the order creating SOCD was January 3, 1972 as approved by Governor Davis on December 30, 1971, (see OCD)

SOEO - State Office of Economic Opportunity (Vermont). (see OEO & EOA)

SRS - Social and Rehabilitation Service, U.S. Department of Health, Education and Welfare.

UVM - University of Vermont.

VR - Vocational Rehabilitation, Department of (Vermont)

WIN - "Work Incentive" Program. Title IV, Part C of the Social Security Act as amended in 1968 which allocates funds to DOL to train welfare recipients for work with the goal of eventual job placement.

# Appendices

## APPENDIX A-1

### HEW - VERMONT CONTRACT - 1970-71

July 1, 1970 (Excerpts)

Specific Child Care Planning Tasks to be Performed by the Vermont Program Contractor

In carrying out the planning tasks, the contractor shall provide for the:

(1) definition of present systems of child care in Vermont detailing type, location and numbers of services, and those institutions responsible for generating and operating services.

(2) extrapolation of Vermont's baseline survey information (to be available in late summer) in order to estimate Vermont's FAP child care needs by type, number and location. With operational staff, these need extrapolations will be reviewed and short and long range program priorities, as well as action goals, will be defined.

(3) Examination of trends regarding the national child care system--administrative control, funding and program content--and integrate them into the planning for a model FAP child care system which will work in Vermont or nationally.

(4) With the operations staff, the development of procedures for joint funding of day care programs (Title IV and FAP) until such time as national legislation is passed which will place responsibility for day care funding with one agency.

(5) Development of techniques to generate day care services in areas where community-coordinated child care programs are difficult, if not impossible, to develop. Included, will be consideration of temporary day care programs, contracts with outside suppliers, and innovative transportation systems for moving children to areas where programs

are available (conditions under which community coordinated programs are unlikely to be successful will be clearly defined.)

(6) Examination and identification of the relationship between job or industrial development in a community and the ease in development of child care services.

(7) Design of referral procedures between day care and other FAP components. Of particular concern will be referrals for supportive services for children.

(8) Development of alternative schedules controlling the share of day care cost to be borne by families at any given income level. Schedules tested should include at least one which introduces into the decision of a parent who is at best a potentially low wage earner or who has a large number of dependent children, full consideration of the cost of child care which the decision to work involves. At the same time the schedules should not impose excessive disincentives to significant labor force potential or attachment. Schedules to be tested should also reflect differences in the quality of care provided so as to encourage utilization of less expensive forms of day care thus both minimizing Federal cost and providing a natural rationing mechanism for scarce resources. Schedules to be tested shall be jointly agreed to by the State and the DHEW Project Officer.

(9) Design and evaluation of various child care payment systems and administrative procedures for their implementation. Alternatives for example, will include: (a) vouchers to individuals, (b) income exclusion, and (c) direct contracts with the day care providers. The possibility of designing payment systems which would encourage, through monetary rewards, quality services and trained personnel will also be explored. Systems to be tested shall be jointly agreed to by the State and the DHEW Project Officer.

(10) Definition and evaluation of techniques for rapid resource development at the local including the development of personnel to provide child care services. Alternatives which will be explored include: (1) job training programs (i.e., New Careers possibilities for FAP recipients and other

non-professionals in the child care field) which might be coordinated with employment training components of FAP and the ongoing WIN and MDTA programs; and (2) follow-up training and definition of continuous staff services, which might be necessary in the operation of child care programs. The introduction of child development into home care should be a major consideration in both training programs for personnel.

(11) Outline the size and staffing requirements for the FAP day care component.

Specific Tasks to be Performed in the Expansion of Child Care Services and Facilities Throughout the State

The contractor shall develop and implement a program for expanding child care facilities and utilization within the State. The plan for expanding the day care operational funds provided by this contract must be jointly agreed to by the State and the DHEW Project Officer before operations commence.

The specific tasks to be performed include:

a. The formulation of administrative procedures for developing and managing a system of child care services in Vermont. Defining these procedures will require development of the following key elements:

    (1) Agreements with the Department of Social Welfare in regard to the temporary transfer (i.e. for the period of the contract) of responsibility for distribution and monitoring of Title IV monies, and the licensing of all day care facilities in Vermont.

    (2) An agreement with the Department of Social Welfare to continue its Title IV and licensing responsibilities until such time as staff can be developed within OEO and 4-C to effectively assume such responsibility. The transfer shall occur no later than September 1, 1970.

    (3) Definition of a State policy regarding the distribution and coordination of 100% Federal contract monies for day care (FAP) with existing Federal monies requiring local cash and in-kind commitments (Title IV). This policy and procedures for its use will be of particular concern

in the short range operational phase of Vermont's day care program.

(4) Related to the joint funding policy, procedures must be designed to insure that equal services are provided children in any one center or home. For example, since FAP monies provide for medical and dental services and Title IV monies do not in Vermont, the problem of integrating these funds at the operational level must be resolved.

b. On the basis of the inventory of day care efforts (specifying types of care, groups served, identification of gaps in services--programmatically and geographically) and the baseline survey of potential demand covered by the day care planning phase described above, target areas for immediate concentration of effort and specific program needs will be reviewed and expanded. Long range goals will be set. With the FAP day care planning staff, day care operations staff will define program priorities and priorities for the distribution of limited day care resources within the State.

c. Development and implementation of techniques to quickly generate interest in local day care programs and to provide actual assistance in the formation and operation of programs. One method, already used on a limited basis, will be further evaluated--that of establishing a network of program developers who are capable of providing public education efforts regarding needs for expanded day care services and of organizing local interest to the point of action. It is anticipated that as the demand for day care services at the local level increases, other techniques requiring less "selling" effort can be effective, i.e., a grant program, a central clearinghouse for information regarding the use of FAP child care monies and recommended administrative procedures.

d. The development and implementation of a system of administrative services, training and technical assistance, for staff in FAP child care programs. Program content and techniques, management procedures and staff development will be included. Actual training and technical assistance responsibility may be assigned to cooperative State or local agencies, or developed through the FAP child care operations staff.

e. The design and conduct of programs which demonstrate new ways to provide child care services in the State. Such demonstrations may include (1) the development of satellite day care homes staffed by FAP mothers around a nuclear center where educational materials and staff services are available; (2) the innovative use of existing ETV programming for children in homes and centers across the State or the development of ETV programs and accompanying educational materials for children; and (3) an innovative transportation system for rural child care programs.

f. The development of internal evaluation procedures for assessing the effectiveness of the operating programs and the statewide staff itself. It is anticipated that standard reporting forms will be developed which will meet Federal and State needs on FAP children and provide a basis not only for assessing the effectiveness of current programs, but aid in the projection of future services. Periodic review sessions in the operations staff will serve to pinpoint subject areas for increased communication and coordination, and geographic areas for concentrations of effort. Field experiences will be fully documented and analyzed as necessary to give the planning and operations staff a clear picture of what works and doesn't work in particular communities.

In carrying out the child care planning and operational tasks outlined above, the contractor shall provide for maximum consultation and involvement of appropriate DHEW FAP and other staff. The DHEW Project Officer shall specify to the contractor the appropriate DHEW staff the total day care component, and specifically the operations phase as given in Article III. Staffing patterns are specified within the budget.

When the day care program is fully operational (within twelve to eighteen months) responsibility for the day care operations will be transferred from SOEO to an appropriate agency, agreed by the State and DHEW. The day care operational staff will provide the developmental, administrative and support services for both the Title IV funds and the requested child care and seed grant funds under this contract.

## APPENDIX A-2

## OFFICE OF ECONOMIC OPPORTUNITY

## AGREEMENT

Agreement for reimbursable services to be performed by the Department of Health, Education, and Welfare.

### I. PURPOSE

One of the important goals of the proposed Family Assistance Plan is to provide strong incentives for the transfer of administrative responsibility for some of the welfare programs now administered by State welfare departments to a Federal agency. In order to effect such transfers in an efficient and timely manner, it will be necessary to have resolved the many problems attending the integration of FAP with the State programs and to have a model Federal-State agreement available to serve as the basis for discussions with the various states. The detailed planning and development of an agreement cannot be done without focusing on the issues in one state in order to develop realistic and effective models.

FAP also provides for the establishment of greatly expanded child care facilities and an expansion of the available manpower services throughout the country. In the absence of actual operational experience, it is exceedingly difficult to plan for a rapid expansion in these areas that will effectively meet the needs of both the recipients and the FAP program.

In view of these planning needs, the Department of Health, Education, and Welfare is contracting with the Department of Social Welfare of the State of Vermont to plan for the Federal administration of the proposed program. One component of this project will be to develop a model plan for day care under FAP and to expand the day care facilities throughout the State. This agreement will provide funds to support the operational activities required to implement the model plan.

### II. BACKGROUND

The national welfare reform measure--the "Family Assistance Act of 1970" which provides "basic benefits to low-income families with children" and emphasizes "incentives for employment of members of such families" will necessitate massive development and expansion of child care services.

Existing facilities in Vermont cannot begin to meet the present child care needs of those ANFC families who will automatically become FAP recipients. The demand for child care will be even greater under FAP, as present estimates indicate a significant expansion of child care needs as working poor families are aided under FAP. The timetables for full operation and the overall effectiveness of the reform program will depend on how quickly and expeditiously a wide variety of child care facilities can be generated.

Thus, the problem is to plan, demonstrate, evaluate and develop a model FAP child care system which will be cognizant of and responsive to the needs of children of FAP.

It is envisioned that the product to this effort will be a system of practical alternatives which can be exercised in a community--given a set of defined situational factors--and which, when implemented, will quickly result in the provision of adequate and sufficient child services in that community.

## III. DESCRIPTION OF SERVICES

A FAP day care planning staff will be established to develop the model FAP-Child Care service system for Vermont which can be utilized in determining national alternatives for effective operation of the Family Assistance Plan, and to expand the day care facilities throughout the State.

Through actual operation of child care programs in the State, techniques shall be explored for the rapid development and expansion of child care facilities. Operational problems in terms of agency our group developmental coordination, staff training, program management and political or community support will be well documented. The research and innovation personnel--with the aid of the operations staff-will develop and test innovative solutions which will ease, if not overcome, anticipated administrative and program problems which might arise in an overall FAP day care system.

## IV. SPECIFICS OF SERVICES

A. How will services be performed?

1. The Department of HEW will contract with the Department of Social Welfare for the State of Vermont for the development of a model plan for federal administration of FAP and the State supplemental and adult programs, the development of a model FAP Child Care Service system, expansion of day care facilities and a baseline survey of potential FAP recipients.

The Department will have responsibility for monitoring the funds provided by OEO for the day care operational component of their contract. To assist the Department in this responsibility, an advisory group will be established under the chairmanship of the HEW Project Manager to coordinate the work of the various agencies potentially involved in the Administration of the Family Assistance Plan and hence in the performance of services under the Vermont contract. A sub-group on day care will advise on policy issues in this area.

2. The contractor will establish a FAP day care planning staff to carry out the inventory and planning aspects of the model FAP - Child Care system. It is anticipated that some staffing needs for the day care component can be drawn from existing child care expertise in the State. New staff will be trained to generate and support local day care operations where needs cannot be met locally. Consultant services will be utilized, particularly in the area of Research and Innovation. Close contact will be maintained between this staff and the planning unit to insure that the operations staff have sufficient input into the planning of a model FAP Day Care System.

3. It is understood that the contractor will delegate responsibility to the State Office of Economic Opportunity for the administration of the day care operations component. The State 4-C Committee--which has responsibility for initiating community coordinated child care for all children in the State, and thus far has been instrumental in the establishment of Title IV programs in Vermont by organizing local "umbrella" groups through which Department of Social Welfare money is channeled--will serve as an advisory group to the State OEO Director and staff for day care operations. A portion of the actual operations money will be used to demonstrate the potential of the 4-C concept in starting and operating day care centers or homes across Vermont. The State Office will also be responsible for assistance in the implementation of other demonstration projects to be defined at a later date. An SEEO representative will work closely with the planning unit as required.

4. Although the contractor will develop internal evaluation procedures and conduct an ongoing evaluation of the demonstration project it is

understood that HEW will subsequently conduct an independent evaluation of the Vermont project through contract with another organization. Specification of the objective of the day care demonstrations, the design of the evaluation study and its relationship to evaluation of manpower and services demonstrations will be developed by HEW, OEO, and DOL. However, the evaluation will focus on:

(a) how quickly child care resources are developed and expanded,

(b) how responsive the child care system is to the needs of children and their families eligible through FAP, and

(c) how effectively the administrative mechanisms operate to facilitate these activities.

B. What services will be performed?

1. The formulation of administrative procedures for developing and managing a system of child care services in Vermont. Defining these procedures will require development of the following key elements:

   (a) Agreements with the Department of Social Welfare in regard to the transfer of responsibility for distribution and monitoring of Title IV monies, and the licensing of all day care facilities in Vermont.

   (b) An agreement with the Department of Social Welfare to continue its Title IV and licensing responsibilities until such time as staff can be developed within OEO and 4-C effectively assume such responsibility. The transfer should occur no later than September 1, 1970.

   (c) Definition of a State policy regarding the distribution and coordination of 100% Federal monies for day care (FAP) with existing Federal monies requiring local cash and in-kind commitments (Title IV). This policy and procedures for its use will be of particular concern in the short range operational phase of Vermont's day care program.

(d) Related to the joint funding policy, procedures must be designed to insure that equal services are provided children in any one center or home. For example, since FAP monies provide for medical and dental services and Title IV monies do not in Vermont, the problem on integrating these funds at the operational level must be resolved.

A plan for expending the day care operational funds will be jointly agreed to by Federal and State agencies before operations commence.

2. On the basis of the inventory of day care efforts (specifying types of care, groups served, identification of gaps in services--programmatically and geographically) and the baseline survey of potential demand covered by the day care planning phase, target areas for immediate concentration of effort and specific program needs will be reviewed and expanded. Long range goals will be set. With the FAP day care planning staff, day care operations staff will define program priorities and priorities for the distribution of limited day care resources within the State.

3. Development and implementation of techniques to quickly generate interest in local day care programs and to provide actual assistance in the formation and operation of programs. One method, already used on a limited basis, will be further evaluated--that of establishing a network of program developers who are capable of providing public education efforts regarding needs for expanded day care services as the local level increases, other techniques requiring less "selling" effort can be effective, i. e., a grant program, a central clearinghouse for information regarding the use of FAP child care monies and recommended administrative procedures.

4. The development and implementation of a system of administrative services, training and technical assistance, for staff in FAP child care programs. Program content and techniques, management procedures and staff development will be included. Actual training and technical assistance responsibility may be assigned to cooperative State or local agencies, or developed through the FAP child care operations staff.

5. The design and conduct of programs which demonstrate new ways to provide child care services in the State. Such demonstrations may include (1) the development of satellite day care homes staffed by FAP mothers around a nuclear center where educational materials and staff services are available; (2) the innovative use of existing ETV programming for children in homes and centers across the State or the development of ETV programs and accompanying educational materials for children; and (3) an innovative transportation system for rural child care programs.

6. The development of internal evaluation procedures for assessing the effectiveness of the operating programs and the state-wide staff itself. It is anticipated that standard reporting forms will be developed which will meet State data needs on FAP children and provide a basis not only for assessing the effectiveness of current programs, but aid in the projection of future services. Periodic review sessions in the operations staff will serve to pinpoint subject areas for increased communication and coordination, and geographic areas for concentrations of effort. Field experiences will be fully documented and analyzed as necessary to give the planning and operations staff a clear picture of what works and doesn't work in particular communities.

When the day care program is fully operational (within twelve to eighteen months) responsibility for the day care operations will be transferred from the State OEO to an appropriate agency, agreed to by State and Federal agencies. First year goals are now direct toward the establishment of fifty (50) new child care centers and a network of child care homes across the State.

Experience has shown that one of the greatest barriers to establishing a center or home that meets the licensing standards of the Department of Social Welfare is the lack of "seed money" to meet the costs of renovating the available facilities and to purchase necessary equipment. This agreement thus provides $150,000 in "seed money" to meet the start up costs of new child care facilities. The costs were estimated on the basis of an average of $2,500 per center for fifty (50) new centers, and $500 per home for fifty (50) new child care homes.

A total of $834,330 is provided for the purchase of child care services over a ten-month period (less than a full year's funding) is required in order to allow time for the day care unit to become operational). At an annual cost of $1,600 per child for full time care, and $600 per child for before and after school care, these funds would purchase 437 full time day care spaces and 501 before and after school spaces. In addition to the funds provided by OEO, Title IV monies in the State will be used to purchase day care services for 625 children at an annual cost of $1,248 per child and before and after school or part-time services for 200 children at $600 per child. The day care operational staff will provide the developmental, administrative and support services for both the Title IV funds and the requested child care and seed grant funds under this contract.

C. Reporting

1. The HEW Project Manager will submit quarterly written progress reports to the OEO Project Manager based on reports prepared by the FAP Day Care Planning Staff and the state Office of Economic Opportunity. The necessary reporting design, or framework for these reports, developed prior to the first report, will be subject to the approval of the OEO Project Manager.

2. The HEW Project Manager will submit written advices of significant developments to OEO as such developments occur.

3. The HEW Project Manager will prepare a summary final report to OEO covering the activities during the course of this agreement. The report will be delivered to OEO within one month of the completion of all work covered by this agreement.

## V. SURVEILLANCE

OEO will have the right to observe all aspects of the work called for herein and to conduct or have conducted any evaluations deemed necessary.

## VI. FUNDING

OEO will reimburse the DHEW for all actual direct costs incurred by the DHEW in the performance of the work covered by this agreement, provided that the total amount to be funded by OEO will not exceed the estimated cost of $1,034,332. This estimated cost covers work to be performed during the remainder of FY 1970 and in FY 1971. OEO will advance funds to the DHEW and thereupon HEW will contract with the Department of Social Welfare of the State of Vermont by June 30, 1970. Reimbursement shall be requested by using Standard Form 1081 citing Appropriation 7500571, Program Account 05031832 (20). This form shall be submitted to the Contracting Officer, OEO, citing Agreement No. . If the work called for herein cannot be completed within the estimated cost, OEO will be advised as soon as possible. It is understood by DHEW, the Department of Social Welfare for the State of Vermont and OEO that no additional OEO funds will be used for this project.

### BUDGET ESTIMATES FOR DAY CARE
### OPERATIONAL COMPONENT OF VERMONT PROJECT

| | |
|---|---|
| 1. Provision for Consultant Services | |
| Research and Innovation | $ 50,000 |
| 2. Provision for Seed Grants | |
| 50 Centers X $2,500 | 125,000 |
| 50 Homes X $500 | 25,000 |
| | 150,000 |
| 3. Child Care Services | |
| 437 children in full time care X $1,336* | 583,832 |
| 501 children in before and after school care X $500* | 250,500 |
| | 834,332 |
| TOTAL | $1,034,332 |

---

* 10 months funding

## VIII. PROJECT MANAGERS

The OEO project Manager for this agreement is ______________. He has full authority to represent the Contracting Officer in connection with operations under this agreement, except that he is not authorized to issue orders which change the work to be performed hereunder, the compensation, or the period of performance.

The HEW Project Manager for this agreement is Joseph P. Corbett, Deputy Director, Income Maintenance Research and Policy Coordination, and he alone, or his delegatee, is authorized to represent HEW in relationships with OEO which pertain to the provisions or cost of this agreement or HEW's performance under it.

## IX. DURATION OF AGREEMENT

This memorandum of understanding will become effective on the date when approval has been subscribed hereto by representatives of both the Department of Health, Education, and Welfare and the Office of Economic Opportunity, and remain in effect through June 30, 1971.

| DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE | OFFICE OF ECONOMIC OPPORTUNITY |
|---|---|
| By: ______________________ | By: ______________________ |
| Title: ______________________ | Title: ______________________ |
| Date: ______________________ | Date: ______________________ |

Agreement A00-0042

## APPENDIX A-3

## MEMORANDUM OF AGREEMENT

Between

THE OFFICE OF ECONOMIC OPPORTUNITY

and

THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

This agreement is entered into this 18th day of June, 1970, between the Office of Economic Opportunity (hereinafter referred to as OEO) and the Department of Health, Education and Welfare (hereinafter referred to as HEW).

WHEREAS, OEO and HEW have the authority to implement a project for the development of a model Family Assistance Plan - Child Care Service System; and

WHEREAS, OEO agrees to transfer funds to HEW pursuant to Section 602 (h) and Section 232 of the Economic Opportunity Act; and

WHEREAS, HEW agrees to be responsible for monitoring and accounting for all funds provided by OEO for this project;

NOW THEREFORE, it is mutually agreed as follows:

1. HEW will:

   a. insure that the requirements of the Economic Opportunity Act which apply to projects funded under Section 232 of the Economic Opportunity Act are met. This includes, but is not limited to, the requirements contained in Sections 232(d), 242, 243(a)-(c), 603(b), 604(2)-(3), 610-1(a)-(c) and 613;

   b. In accordance with the terms and conditions contained in a letter of agreement between representatives of OEO and HEW, HEW will contract, administer, monitor, make arrangements and carry out all actions necessary for successful completion of this project;

   c. contribute additional funding to this project in the amount of $775,000;

d. obligate funds for contracts under this project prior to June 30, 1970;

e. submit Standard Form 1081 citing Agreement No. A00-0042 Appropriation No. 1100500, Activity Code BA-1, and Section 232, to the Director, Procurement Division, OEO, 1200 - 19th Street, N. W., Washington, D. C. 20506.

2. OEO will:

a. reimburse HEW for all actual direct costs incurred by HEW in the performance of work covered by this agreement, provided that the total amount to be funded by OEO will not exceed the estimated costs of $1,034,332. It is understood that OEO will not reimburse HEW for any costs incurred in excess of the estimated cost of $1,034,332.

3. This agreement is effective as of the date first shown above, and will remain in effect through June 30, 1971.

OFFICE OF ECONOMIC OPPORTUNITY

BY (SIGNED)
Ralph A. Howard
Director, Procurement Division

DEPARTMENT OF HEALTH, EDUCATION,
AND WELFARE

BY (SIGNED)
John C. Montgomery

TITLE Assistant to the Secretary
and Deputy Assistant
Secretary for Income
Maintenance

## Appendix A-4

## The System

### Legend

⬚ = No direct operating responsibility
C/L = Contractual and Legal approvals
D = Policy Decisions
$ = Money
--B-- = Bills
A-23 = Payment Authorization Form
$\boxed{\$}$ = Checks to be signed

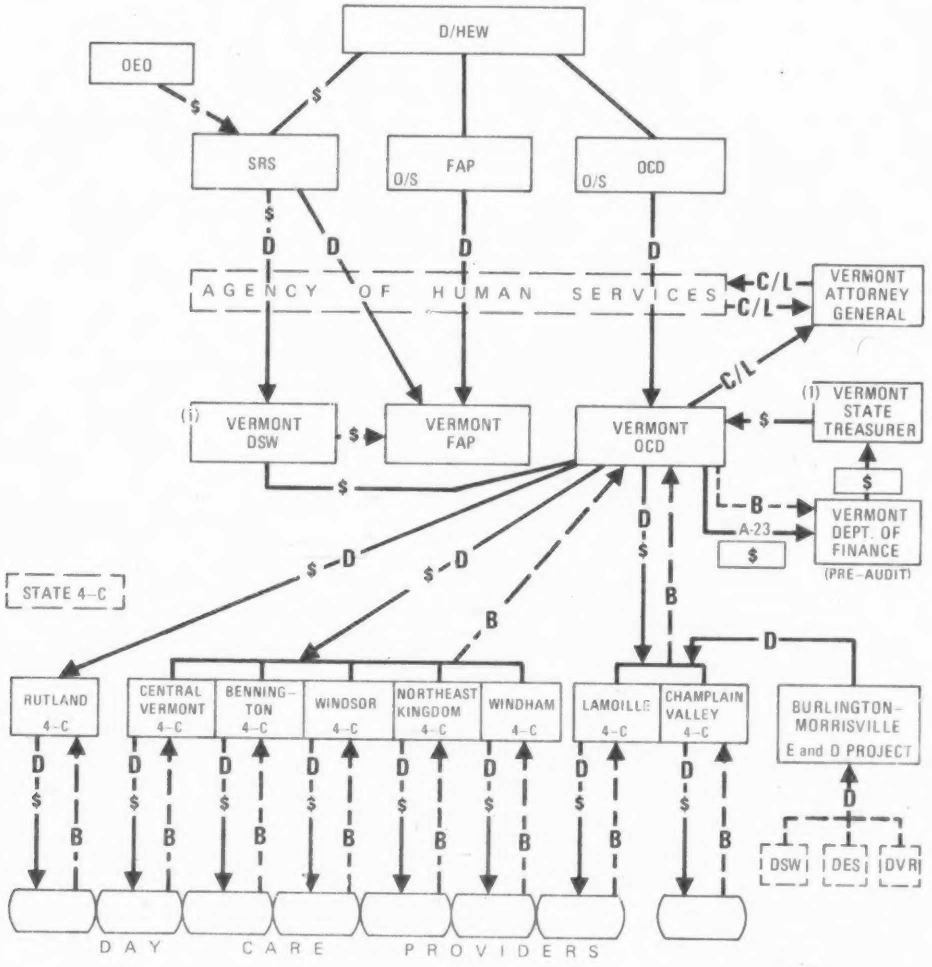
(1) Vermont DSW receives 1110 and OEO money from SRS/HEW, deposited in State Treasury for handling.

E and D = Experiment and Demonstration
VOCD = Office of Child Development
VDSW = Dept. of Social Welfare
VDES = Dept. of Employment Security
VDVR = Dept. of Vocational Rehabilitation
D/HEW = Dept. of Health, Education and Welfare
OEO = Office of Economic Opportunity
SRS = Social and Rehabilitation Service
FAP = Family Assistance Plan

LICD
May, 1972

APPENDIX A-4

## THE SYSTEM
## VERMONT MODEL FAP CHILD CARE SERVICE SYSTEM - F.Y. '72


D/HEW
OEO
$
SRS
FAP
O/S
OCD
O/S
D
AGENCY OF HUMAN SERVICES
C/L
VERMONT ATTORNEY GENERAL
(i)
VERMONT DSW
VERMONT FAP
VERMONT OCD
(I) VERMONT STATE TREASURER
B
A-23
VERMONT DEPT. OF FINANCE (PRE-AUDIT)
STATE 4-C
RUTLAND 4-C
CENTRAL VERMONT 4-C
BENNING-TON 4-C
WINDSOR 4-C
NORTHEAST KINGDOM 4-C
WINDHAM 4-C
LAMOILLE 4-C
CHAMPLAIN VALLEY 4-C
BURLINGTON-MORRISVILLE E and D PROJECT
DSW
DES
DVR
DAY CARE PROVIDERS

LICD
May, 1972

# APPENDIX B

## LEVEL EXPECTATIONS OF FAP
## FEDERAL CHILD CARE PRE-TEST

## APPENDIX B-1
## ISSUES BY CATEGORY

### A. FAP CONCEPTS

| CODES | ISSUES |
|---|---|
| (1) | If and how Vermont followed-up FAP assumptions? |
| (2) | How are FAP priorities recognized or achieved? |
| (2) | Is the FAP plan replicable elesewhere? |
| (5) | What were the HEW objectives in funding the Vermont pretest? |
| (5) | How close did Vermont come to achieving HEW-FAP objectives? |
| (5) | Can FAP-related elements be separated from "usual Day Care"? |
| (5) | What will the study produce that will be "useful"? How much can be generalized from Vermont "models"? |
| (3) | Re operations - how was the system "supposed" to work - and how does it? |
| (3) | What are the operational problem areas? |
| (3) | Why should the State provide child care services? |
| (3) | Is it a labor program or a child development program? |
| (3) | How valid is the "plan" for operations? |
| (3) | How were the sites selected? And planned? |
| (3) | Who makes the decisions regarding categorial expenditures and who controls supply and demand for services at the local level? |
| (3) | How valid is the assumption that child care is a necessary component of welfare reform? Can we state this as a hypothesis and test it. |

## APPENDIX B-1 (continued)

| CODES | ISSUES |
|---|---|
| (3) | Can we learn why people are on welfare - and therefore determine what are needs, and effects of efforts to meet them? |
| (4) | Do Welfare Departments resent (as punitive) the mandate to provide Child Care Services for working mothers? |
| (1) | How were the planning operations related to FAP training and employment needs? |
| (1) | Vermont is not a good place to study, ergo - low expectations of this FAP pretest. |

## B. DAY CARE SERVICE DELIVERY

| CODES | ISSUES |
|---|---|
| (1) | How effective is the service delivery? |
| (1) | How has child care been expanded? |
| (1) | What new activities have resulted from 4-C in Vermont? |
| (1) | What are the attitudes and working relationships among and between Vermont officials and consumers? |
| (1) | What is the potential for 4-C? |
| (1) | Is 4-C a viable concept? |
| (1) | What is the relation of the 4-C concept to the Child Development Council (CDC) concept? |
| (1) | How do people perceive 4-C in Vermont? |
| (3) | Can we separate referrals and child care facilities? If operators handle referrals and receive 100% funding, will they try to keep centers filled--regardless? |
| (3) | What are the eligibility criteria for parents and children? |
| (4) | Is the system responsive? |
| (3) | Is it possible to achieve quality control? (Can everyone "ever agree" on indicators?) |

APPENDIX B-1 (continued)

| CODES | ISSUES |
|---|---|
| (3) | Who are the Day Care Operators? How do they function? How hired? Recruited? Trained? Supervised? |
| (4) | If we want innovation and creativity, can a single "model" do? |
| (1) | What is Vermont's potential in Child Care delivery? |

## C. ALTERNATIVE MODELS

| CODES | ISSUES |
|---|---|
| (1) | What are the referral processes and decisions related to types of care? |
| (2) | Is there day care for school age children in schools? |
| (2) | Has home care been upgraded and available? |
| (3) | What kinds of child care for what kinds of children? |
| (4) | What are the most convenient day care types and locations? |
| (4) | Can we prepare a "laundry bag of tailor-made services" so parents will seek out optional services to meet needs or wants? |
| (4) | Did Vermont SOEO "in fact" carry out its contract and develop a range of services? Have they explored alternatives and experimented? |
| (3) | What about handicapped adults? Are their children eligible, too? What about handicapped children? |
| (3) | Are children's needs taken into consideration? |
| (3) | What is the need for child care? What about emergencies or temporary child care? |
| (4) | What are alternative forms of day care to meet needs of working parents? |

## D. ORGANIZATIONAL RELATIONS

| CODES | ISSUES |
|---|---|
| (1) | What is the nature of various agencies and their input to the program? |

APPENDIX B-1 (continued)

| CODES | ISSUES |
|---|---|
| (2) | Have they "ignored" Federal regions? (Title IV-A, FAP.) |
| (2) | What is the working relationship with DOL and VR? |
| (1) | What is the attitude of general purpose government toward this pre-test? |
| (3) | Who gets what reports and how do they use them? |
| (3) | Is the Labor Department going to "buy" services, Day Care and other? How will this work? What about the non-employable poor, since these are HEW responsibility? |
| (3) | What is the relationship between Vocational Rehabilitation and Day Care needs? |
| (3) | What are obstacles to getting people to work together? - Specifically, providers of services? What are the incentives or disincentives to coordination? |
| (3) | What are the various types and levels of integration in:<br>a.) planning?<br>b.) funding?<br>c.) comprehensive service centers? (assuming integrated services)<br>And what are the critical variables? |
| (2) | Do the regulations help or hurt in local planning and operation? |
| (3) | Will the pre-test provide enough information for the writing of Federal Guidelines and regulations? |

E. MONEY

| CODES | ISSUES |
|---|---|
| (1) | How were the rate schedules, payments for care at each site, developed and applied? How tested? How working? |
| (1) | What has been the cost to Vermont for day care? |

## APPENDIX B-1 (continued)

| CODES | ISSUES |
|---|---|
| (2) | Can we get a description and evaluation of the cost of care? |
| (3) | Is someone developing cost data regarding the relative efficiency/effectiveness of categorical vs integrated services? (Number of people, per capita costs, consumer/provider satisfaction, etc.) |
| (4) | Is Vermont using $1600 - as a maximum figure? |
| (2) | How have fee schedules been handled? |
| (2) | Is someone developing a description and evaluation of fee schedules? |
| (3) | What are the cost-benefit and cost effectiveness ratios for child care? |

## F. COMMUNITY INVOLVEMENT

| CODES | ISSUES |
|---|---|
| (2) | What is the type and extent of community input through 4-C? |
| (1) | What is the State's community organization process? |
| (1) | How real is the consumer involvement and how does it work? |
| (3) | Did the parents want Day Care? And what is their ongoing involvement? Do they "turn over" their children or what? |
| (2) | What were the roles and functions of local groups? |

## G. MISCELLANEOUS

| CODES | ISSUES |
|---|---|
| (1) | How does Vermont develop priorities? |
| (1) | What are the overall problems in Vermont? |
| (3) | From the baseline data, has the family structure been influenced by this program? What about Grandma? |

5

## APPENDIX B-1 (continued)

| CODES | ISSUES |
|---|---|
| (3) | Since there is no more minimum age for rehabilitation programs, a family can have more assets and not necessarily be on welfare. Will the Vermont experiment tell us much about such things? |
| (3) | Will we get effectiveness data on early childhood development? |

### H. TIME

| CODES | ISSUES |
|---|---|
| (1) | How were resources developed and used in a short time? |
| (4) | Is it possible to provide individualized service and still do long-range planning? |
| (4) | How does child care get delivered for OFP "in time"? What is the importance of rapid response? |

### I. RESOURCES

| CODES | ISSUES |
|---|---|
| (2) | Can we get a description and evaluation of resource development? |
| (3) | At the State end - how can resources be increased and used? |
| (3) | At the Community end - how were resources used by local people? |

### J. LICENSING

| CODES | ISSUES |
|---|---|
| (1) | What is the process and what are the decision-making criteria for home licensing? |
| (2) | What about waivers for licenses? |

APPENDIX B-1 (continued)

(3) What were all the steps in the licensing and certification of facilities?

## K. ANCILLARY SERVICES

| CODES | ISSUES |
|---|---|
| (3) | How closely should family services be tied to Day Care? Has this been considered? How? Should referral service be all-inclusive? |
| (3) | What medical treatment is provided and how? And how financed? |

## APPENDIX B-2

## FEDERAL LEVEL EXPECTATIONS OF FAP
## CHILD CARE PRE-TEST

### SUMMARY CHART

| CATEGORIES | HEW |  |  |  |  |  |
|---|---|---|---|---|---|---|
|  | (1)OCD | (2)FAP | (3)OTHER | (4)DOL | (5)OEO | TOTAL |
| A. FAP Concepts | 2 | 2 | 9 | 2 | 4 | 19 |
| B. Day Care Service Delivery | 9 |  | 4 | 2 |  | 15 |
| C. Alternative Models | 1 | 2 | 4 | 4 |  | 11 |
| D. Organizational Relations | 2 | 3 | 6 |  |  | 11 |
| E. Money | 2 | 2 | 2 | 1 |  | 7 |
| F. Community Involvement | 2 | 2 | 1 |  |  | 5 |
| G. Misc. | 2 |  | 3 |  |  | 5 |
| H. Time | 1 |  |  | 2 |  | 3 |
| I. Resources | 1 |  | 2 |  |  | 3 |
| J. Licensing | 1 | 1 | 1 |  |  | 3 |
| K. Ancillary Services |  |  | 2 |  |  | 2 |
| *Number of Issues | 23 | 12 | 34 | 11 | 4 | 84 |

#of Interviews 20
(July 2nd to September 30th, 1971)

*See List in Appendix B-2

Appendix

## VERMONT MODEL FAP CHILD CARE SERVICE SYSTEM

## STATE REVENUE - DAY CARE

|  | FY '71 (12 months) |  |  |  |  | FY '72 (6 months) |  |  |  |  |
|---|---|---|---|---|---|---|---|---|---|---|
| FROM: July 1, 1970 TO: June 30, 1971 |  |  |  |  |  | TO: December 31, 1971 |  |  |  |  |
| FEDERAL | DED | SOEO (via DSW) | FAP Planning (via DSW) | Other | Total | DED | OCD | FAP Planning | Other | Total |
|  | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| FAP 1110 (includes OEO transfer) |  | 526,296 | 115,232 |  | 641,528 |  | 285,000 | 15,310 |  | 300,310 |
| TITLE IV-A |  | 160,112 |  |  | 160,112 |  | 268,860 |  |  | 268,860 |
| DOA (FOOD) | 55,038 |  |  | (a) 19,376 | 74,414 | (e) 104,642 |  |  | (a) 23,183 | 127,825 |
| 1115 |  |  |  |  |  |  | 79,718 |  |  | 79,718 |
| OTHER FEDERAL (d) |  |  |  |  |  |  | 5,573 |  |  | 5,573 |
| SUB-TOTAL | 55,038 | 686,408 | 115,232 | 19,376 | 876,054 | (e) 104,642 | 639,151 | 15,310 | (e) 23,183 | 782,286 |
| STATE LEGISLATURE |  | (b) 37,375 |  |  | 37,375 |  | (b) 39,533 |  |  | 39,533 |
| PRIVATE MONEY DONATED |  | (c) 15,125 |  |  | 15,125 |  | (c) 40,440 |  |  | 40,440 |
| GOODS AND SERVICES DONATED |  |  |  |  |  |  |  |  |  |  |
| SUB-TOTAL |  | 52,500 |  |  | 52,500 |  | 79,973 |  |  | 79,973 |
| GRAND TOTAL | 55,038 | 738,908 | 115,232 | 19,376 | 928,554 | (e) 104,642 | 719,124 | 15,310 | (e) 23,183 | 862,259 |

(a) State Purchasing Division Surplus Commodities, Equivalent value

(b) 12 1/2% Title IV-A State match

(c) 12 1/2% Title IV-A Local match

(d) Two partially funded positions funded through DOL & Dept. of Education WIN Trainee & Teacher Corps.

(e) 12 months estimate

LICD
May, 1972

Appendix C -2

## VERMONT MODEL FAP CHILD CARE SERVICE SYSTEM

## STATE EXPENDITURES - DAY CARE

| | FY '71 (12 Months) | | | | | | FY '72 (6 Months) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | People $ | Places $ | Things $ | Systems $ | Other $ | Total $ | People $ | Places $ | Things $ | Systems $ | Total $ |
| FAP | (a) 55,930 | (b) 948 | (c) 4,916 | | (d) 53,438 | 115,232 | (e) 14,046 | (e) 294 | (e) 970 | | 15,310 |
| SOEO | 164,993 | 3,499 | 18,439 | | (g) 50,000 | 236,931 | | | | | |
| OCD | | | | | | | 126,794 | 2,823 | 8,717 | | 138,334 |
| SUB-TOTAL | 220,923 | 4,447 | 23,355 | | 103,438 | 352,163 | 140,840 | 3,117 | 9,687 | | 153,644 |
| DEPT. OF EDUCATION (FOOD) | | | 55,038 | | | 55,038 | (h) 104,642 | | | | 104,642 |
| AGENCY OF ADMINISTRATION PURCHASING DIVISION | | | (f) 19,376 | | | 19,376 | | | (f) 23,183 | | 23,183 |
| SUB-TOTAL | | | 74,414 | | | 74,414 | 104,642 | | 23,183 | | 127,825 |
| GRAND TOTAL | 220,923 | 4,447 | 97,769 | | 103,438 | 426,577 | 245,482 | 3,117 | 32,870 | | 281,469 |

(a) Figures are based on the % of time spent on the child care effort. In FY 71 - 4.25 full time people (3 full time + percentages for other staff members).

(b) 33% of Rent

(c) 33%

(d) 20% of baseline survey and planning costs to Mathematica, Inc.

(e) FY '72 figures based on 1.8 full time staff people or 20% of staff members and 20% of costs.

(f) Equivalent value, Surplus Commodities

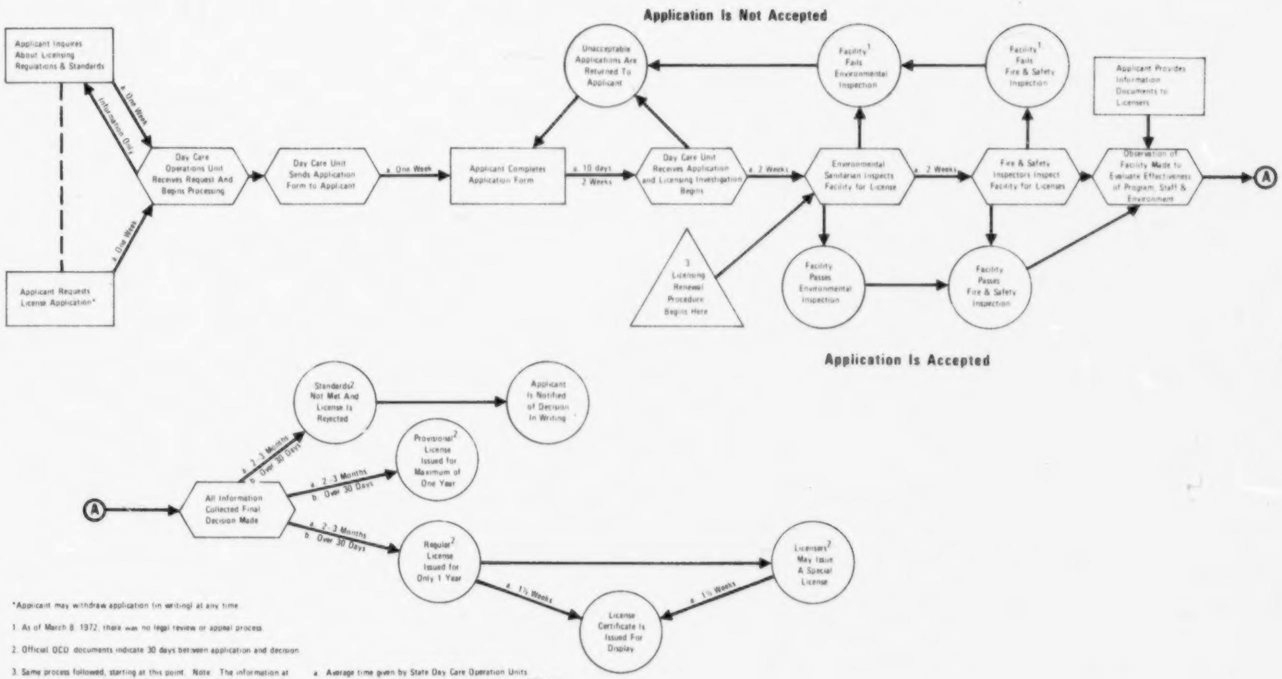
(g) Thiokol Contract.

(h) Twelve month estimate

LICD

## APPENDIX D-1

## LICENSING PROCEDURE – DAY CARE OPERATIONS UNIT (LICENSING DIVISION)


Application Is Not Accepted
Applicant Inquires About Licensing Regulations & Standards
a. One Week
Information Only
Applicant Requests License Application*
a. One Week
Day Care Operations Unit Receives Request And Begins Processing
Day Care Unit Sends Application Form to Applicant
a. One Week
Applicant Completes Application Form
a. 10 days
2 Weeks
Unacceptable Applications Are Returned To Applicant
Day Care Unit Receives Application and Licensing Investigation Begins
a. 2 Weeks
3 Licensing Renewal Procedure Begins Here
Facility¹ Fails Environmental Inspection
Environmental Sanitarian Inspects Facility for License
Facility Passes Environmental Inspection
a. 2 Weeks
Facility¹ Fails Fire & Safety Inspection
Fire & Safety Inspectors Inspect Facility for Licenses
Facility Passes Fire & Safety Inspection
Applicant Provides Information Documents to Licensers
Observation of Facility Made to Evaluate Effectiveness of Program, Staff & Environment
A
Application Is Accepted
A
All Information Collected Final Decision Made
a. 2-3 Months
b. Over 30 Days
Standards² Not Met And License Is Rejected
Applicant Is Notified of Decision In Writing
a. 2-3 Months
b. Over 30 Days
Provisional² License Issued for Maximum of One Year
a. 2-3 Months
b. Over 30 Days
Regular² License Issued for Only 1 Year
a. 1½ Weeks
License Certificate Is Issued For Display
Licensers² May Issue A Special License
a. 1½ Weeks

*Applicant may withdraw application (in writing) at any time.

1. As of March 8, 1972, there was no legal review or appeal process.

2. Official OCD documents indicate 30 days between application and decision.

3. Same process followed, starting at this point. Note: The information at this point was received from the State only, in response to the question: "When a regular license expires, what happens?"

a. Average time given by State Day Care Operation Units.
b. 29 out of 41 Day Care Directors responded in excess of 30 days.

M.F. 5/18/72

LICO April 1972

## Appendix D-2

## Licensed Day Care Statistics

| | | Homes | Satellite Homes | Total Homes Licensed | Group Homes | Centers Centers | Total | | |
|---|---|---|---|---|---|---|---|---|---|
| # Licensed Sites | | 21 | 28 | 49 | 8 | 68 | 125 | | FY '71<br>June 30 '71 |
| # Spaces Available | | * | * | 289 | 91 | 1,750 | 2,130 | | |
| # Spaces Reserved for FAP & IV-A | | * | * | 136 | 10 | 1,475 | 1,621 (a | | |
| # Spaces filled by: | FAP | * | * | * | * | * | (50) (b | Total<br>343 | |
| | IV-A | * | * | * | * | * | 293 (c | | |
| # Licensed Sites | | 25 | 44 | 69 | 8 | 78 | 155 | | FY '72<br>April '72 |
| # Spaces Available | | * | * | 363 | 92 | 2,408 | 2,868 | | |
| # Spaces Reserved for FAP & IV-A | | * | * | 213 | 32 | 1,894 | 2,339 (a | | |
| # Spaces filled by | FAP | * | * | * | * | * | 505 (d | Total<br>1013 | |
| | IV-A | * | * | * | * | * | 508 (e | | |

* Information not available

(a 1,763 spaces were estimated to be filled by FAP (437 full time and 501 part time children) and IV-A (625 full time and 200 part time children) in the HEW/Vermont Contract FY'71 and FY'72

(b These 50 children were enrolled in a temporary unlicensed caretaker program with the Burlington-Morrisville E&D Program

(c 225 full time children and 68 part time children (billing records June, 1971)

(d 339 full time children and 166 part time children (billing records April, 1972): In FY'72 Vermont Proposal an estimated 665 children were expected to be enrolled by June 30, 1972)

(e 494 full time and 114 part time children (Vermont State billing records April, 1972)

Appendix D-3

Office of Child Development
December, 1971

## CARETAKER APPRAISAL CRITERIA

1. The caretaker must be legally exempt from State of Vermont Licensing Regulations; i.e., she (he) does not care for children from more than two families other than her own.

2. The caretaker must provide evidence that she is healthy; i.e., a physician's statement. A tuberculin test should be given, and 4-C's might arrange with the Health Department for the test.

3. The caretaker must provide three character and experience references which will be checked by the 4-C, DSW; i.e., suggestions, one at least should be from parents whose children have been cared for by the caretaker, clergyman, social worker, other employer, etc.

4. The caretaker must have a phone in her home, or access to a phone on the same floor in the building in which she lives.

5. The caretaker must know how to reach parents in case of children's illness or emergencies and have general instructions from them as to what to do in an emergency. It seems safer from a liability point of view for the caretaker to write the instructions given and have parents authorize them to act in emergencies by signing the paper. We could provide assistance by making a form available for this purpose.

6. The caretaker must have basic first aid supplies and a posted sheet of basic safety instructions. (We - 4-C and OCD - could provide.)

7. The caretaker should have access to a vehicle and driver for medical or other emergencies.

8. If the heating source for the house or apartment is one easily accessible by the children (exposed oil heater, exposed radiators) the caretaker must specify for the approving agency at the time of the home visit, how she intends to protect the children. 4-C's might make fire extinguishers and instructions for their use available to each caretaker.

9. The home must have running water and toilet facilities.

10. The caretaker must have access to facilities for preparing hot meals for the children.

11. The caretaker must keep basic records on the children for billing purposes. (The agency will provide instructions, attendance sheets and billing forms.)

12. The caretaker must encourage outdoor play. If a fenced-in area is not available, she will not leave the children unsupervised at any time.

13. 4-C's must negotiate a central liability insurance policy for children with caretakers.

Office of Child Development
Day Care Operations Unit
43 State Street
Montpelier, Vermont

SUBJECT: Caretaker Appraisal Criteria

1. The following Caretaker Approval System has been designed to promote effective utilization of the Caretaker Appraisal Criteria and create an orderly and effective procedure.

2. The personnel policy speaks to the determination of who is responsible for what and the ultimate responsibility to the Office of Child Development.

3. The materials and equipment required for Caretaker Approval are listed as basic and minimal.

4. The procedure indicates to the area 4-C the manner in which the gross interest regarding Caretaker Approval is handled and with all the subsequent approval information and documents.

5. The policy articulates the philosophy, purposes, and hoped-for goals which will result from the working of the system.

## SYSTEM

### Personnel

The Project Planning Director or someone of similar executive authority shall be considered the person in charge of the Caretaker Approval System. He shall be responsible for the space, materials, equipment, and other administrative necessities.

He may within enabling circumstances delegate the actual work and field assignments for approving Caretakers to others. The relationship resulting will be that he is the supervisor of the Approving System and he is responsible for the person's or persons' quantity, quality, impartiality, accuracy, and equitable and prompt services to every aspect of Caretaker Approval.

He shall be ultimately responsible for the documents produced through the Caretaker Approving System as to their safety and availability. He shall be responsible to the Office of Child Development for whatever reports or information is requested of him regarding Caretaker Approval.

The field personnel should be chosen by him, in respect to their abilities to be faithful to the discharge of their duties with considerable respect to their ability to be impartial, to record accurately, and have a sense of the responsibility and worth of their affect in providing children with proper services.

Field personnel should be required to have reasonable conversational skills and interviewing ability. They should be able to clearly and concisely document and record in anticipation of their records review, informational contents, and evidence of reasons for the final approval decision.

### Materials and Equipment

At a minimum the materials should include:

1. Index for the recording of the names, addresses, and other pertinent information of all persons who inquire or are contacted about Caretaker Approval.

2. An index of all persons, names, addresses, and other pertinent forms who have made formal application for approval.

3. An index of names, addresses, and all pertinent information of all persons who are approved.

A Caretaker application form is required and shall be standard within each 4-C jurisdiction so that its receipt will be quickly and easily identifiable for what it is, thus assuring the most prompt and deliberate attention.

Individual Caretaker file folders shall be established for each applicant and shall contain all documentation, correspondence, applications, references and all other information which may be required or received. A brief history of all visitations shall also be maintained noting dates, changes in program requested, operational problem areas, and all other pertinent information regarding visitations.

Procedure

The procedure shall guarantee that all requests for consideration of interest, curiosity or the actual application for approval shall be recorded and given their equitable share of attention regardless of the origin of the interest.

The screening of the initial interest at any level shall include the opportunity for the consideration of the criteria for approval by the interested party and the consideration of the interested party by the approver.

The procedures shall include an opportunity for the interested person to learn about the requirements of approval before the actual approval information and investigation is begun. The procedure should allow for the disengagement of either party when it appears that it is in the best interest of both parties.

The procedure shall go in usual chronology from the inquirer to applicant, through investigation, to the decision to grant or deny approval.

The terms of the approval shall be given in writing to the approved person together with any statements which make the approval conditional or the terms by which approval would be rescinded.

At each corresponding juncture of the chronology from inquiry through granting or denial, the approver must place in the case record substantiating information and documents. The procedure will guarantee that the documents and reasons for the final judgment precedes the declaration of that judgment and the placement or the denial of placement of children in the home.

The procedure will incorporate a means by which all Caretaker homes which have exceeded the exemptions for licensing be notified of their need for licensing and requested to apply for licensing. A copy of that request shall be sent to the Licensing Unit of the Office of Child Development.

Policy

The policy of Caretaker Approval shall be to further compliment the existing supportive services to families through day care, to engender cooperation rather than competition within the day care system, and to promote the aims of the 4-C concept and the positive family values of the children it intends to serve.

## APPENDIX E-1

VERMONT STATE OEO DAY CARE UNIT

(COPY)

DRAFT

## REGIONAL 4-C COMMITTEE

## ADMINISTRATIVE GRANT PROCEDURE

A. Purpose: The purpose of a regional administration grant is to assure effective coordination and management of a program of community coordinated child care program planning within a given region, in most cases, within a county area. The funding of at least part of the administrative duties at the regional 4-C level utilizing approximately $10,000 in each region would serve to:

1. enhance the implementation of administrative standards.
2. demonstrate the ability of a regional 4-C committee to plan and develop local child care programs under FAP and Title IV A regulations regarding eligibility, payment of services and fee schedules.
3. Administration of the program will insure that technical assistance and resources will be identified and made available to local child care service providers. They will insure that public and private agencies are aware and utilize a systematic referral system designed to identify and certify eligible children, counsel families regarding child care possibilities, place children and evaluate the placement of all children.
4. Identify, educate and enroll parents in child care programs.
5. Coordinate with child care operators, State offices, and organizations to insure the successful development of services to meet child care needs in the area.
6. Oversee and coordinate the disbursement of funds to promote operating efficiency.

7. Increase the effectiveness of 4-C at the local level.

B. Definition of Grantee: The grantee is the Regional Community Coordinated Child Care Committee (4-C) in those areas where a regional 4-C Committee is incorporated and presently under service contract with the State Office of Economic Opportunity. The grant period would be for one year based on the assumption that the federal funds would be available for that period of time. However, in the event that federal funds were not forthcoming, the grant would be cancelled on a thirty day notice.

C. Application Procedure: The request for a regional administration grant must be prepared and submitted by the Regional 4-C Committee to the State Office of Economic Opportunity for approval. The grant request for funding should include the following:

1. A work program detailing the objectives and planned activities of the administrative staff. The request should be consistent with the regional 4-C development plans and priorities and should afford a sound basis for funding.

2. A copy of the work program budget together with job specifications for positions to be funded. (A draft budget and job specification is attached).

3. The request should cite the projected date of operations and should be received by the Day Care Operations Unit in State OEO at least thirty days prior to the starting date.

D. Approval and Administration of Grant: Upon receipt of the funding request, it will be reviewed by the State Office of Economic Opportunity. After approval, a contract is negotiated between the State OEO Office and the Regional 4-C Committee which stipulates:

1. The period of the contract and the date when operations will commence.

2. The Regional Committee will demonstrate their ability to plan and develop local child care programs under FAP and Title IV-A guidelines regarding eligibility, payment for services and fee schedules.

3. The Regional 4-C will establish an adequate accounting system approved by State OEO with adequate internal controls to safeguard assets, check the accuracy and reliability of accounting data and promote efficiency of operations.

4. In addition, an annual independent audit of the fiscal records will be required.

5. A schedule of payments to be made to the Committee.

6. The contract may be terminated if Federal funds were not forthcoming for the full period of the contract, failure to fulfill the obligations of the contract in a timely and proper manner, or ineffective or improper use of the funds provided.

The copies of the contract will be distributed to the following:

1. The Regional 4-C Committee, which submitted the request.
2. The State Office of Economic Opportunity.
3. The State Finance Department.
4. The Program Developer in the respective areas.

EJW/jc

## Appendix E -2

### Vermont 4-C Committees

Bennington 4-C - Mrs. Claire O'Leary, President of the Board, Bennington, Vermont

Central Vermont 4-C - Joseph McCarthy, Planning Project Director, Montpelier, Vermont

Champlain Valley 4-C - Pat Jewett, Child Care Services Coordinator and Coordinator for 4-C and Head Start Director, Burlington, Vermont

Lamoille County 4-C - Katie Naylor, 4-C Chairwoman, Robert Dwyer, Project Director, Reed Cherington, Child Care Program Administrator, Morrisville, Vermont

Northeast Kingdom 4-C - Paulett Hartrick, Project Planning Director, Marta Klaren, Child Care Coordinator Newport, Vermont

Rutland 4-C - Betty Ferraro, Project Director Rutland, Vermont

Windham 4-C - Deborah Ravenna, Chairwoman of the Board, Jeff Griffith, 4-C Administrator, Brattleboro, Vermont

Windsor 4-C - Virginia Lancaster, Chairwoman of the Board, Nancy Brierly, 4-C Administrator, Woodstock, Vermont

State 4-C Committee - Daniel Holland, Chairman, Montpelier, Vermont

LICD
April, 1972

# Appendix F

## Sample Day Care Sites

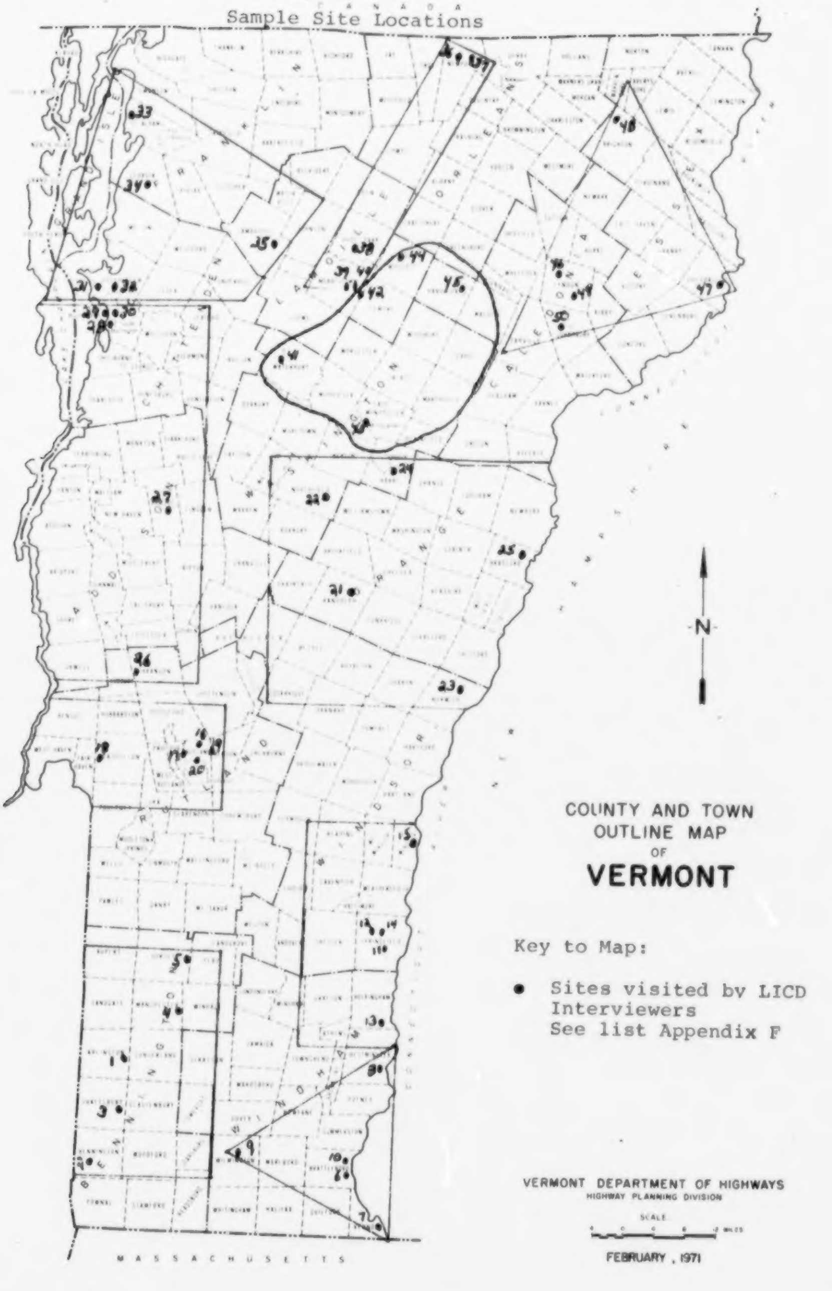
| | Name | City |
|---|---|---|
| 1. | ABC Day Care | Barre, Vermont |
| 2. | Arlington Child Day Care Center, Inc. | Arlington, Vermont |
| 3. | Allen's Day Care | Morrisville, Vermont |
| 4. | Barrow's Satellite Home | Rutland, Vermont |
| 5. | Bennington Child Day Care, Inc. | Bennington, Vermont |
| 6. | Benoure, Wanita | Georgia, Vermont |
| 7. | Bessette, Evelyn E. | Montpelier, Vermont |
| 8. | Bradford Day Care Center | Bradford, Vermont |
| 9. | Brattleboro Child Development, Inc. | Brattleboro, Vermont |
| 10. | Blow, Sarah M. | Winooski, Vermont |
| 11. | Bristol Day Care Center | Bristol, Vermont |
| 12. | B-ROC Headstart Day Care Center | Shaftsbury, Vermont |
| 13. | Brown's Day Care | Lyndonville, Vermont |
| 14. | Burlington High School Child Development Center | Burlington, Vermont |
| 15. | Cardinal, Verna | Morrisville, Vermont |
| 16. | Child Development Center, Inc. | Manchester Depot, Vermont |
| 17. | Cold River School | Rutland, Vermont |
| 18. | Cross Mountain Kinderschool | Newport Center, Vermont |
| 19. | David, Mrs. Gerald | Northfield Fall, Vermont |

| | Name | City |
|---|---|---|
| 20. | The Day Care Center | Norwich, Vermont |
| 21. | Edna's Chagnon Day Care | St. Albans, Vermont |
| 22. | Fisher, Mrs. Scott | Vernon, Vermont |
| 23. | Graham, Pat | Springfield, Vermont |
| 24. | Guildhall Day Care Center | Guildhall, Vermont |
| 25. | Happy Day Child Care Center | Waterbury Center, Vermont |
| 26. | Holden's Day Care Home | Castleton, Vermont |
| 27. | Hunter, Nora | Springfield, Vermont |
| 28. | Island Pond Day Care Center | Island Pond, Vermont |
| 29. | Jack & Jill Day Care Center | Bellows Falls, Vermont |
| 30. | Lay, Susan M. | Wilmington, Vermont |
| 31. | Little Rascals Day Care | Burlington, Vermont |
| 32. | Lyndon State College Day Care Center | Lyndon, Vermont |
| 33. | Maple Tree Row Pre-School | East Dorse, Vermont |
| 34. | Morse, Ila | Morrisville, Vermont |
| 35. | New, Betty A. | Brandon, Vermont |
| 36. | Nourgian, Wendy | Moscow, Vermont |
| 37, | Ostrowski, Suzanne | Bellows Falls, Vermont |
| 38. | Parker, Mrs. Mary | Rutland, Vermont |
| 39. | Patch, Glady's | Hyde Park, Vermont |
| 40. | Randolph Day Care Center | Randolph, Vermont |

| | Name | City |
|---|---|---|
| 41. | Robitaille, Louise | Newport, Vermont |
| 42. | Southcrest Play School | Burlington, Vermont |
| 43. | Springfield Family Development Center | Springfield, Vermont |
| 44. | St. Johnsbury Day Care Center | St. Johnsbury, Vermont |
| 45. | Strong, Mrs. Susan | Brattleboro, Vermont |
| 46. | Sugar Maple Day Care Center | Rutland, Vermont |
| 47. | Thompson Day Care | Hardwick, Vermont |
| 48. | Vermont Home Care Enrichment Center | Fort Ethan Allen, Vermont |
| 49. | Williams, Lillian | Wolcott, Vermont |
| 50. | Windsor Family Development Center | Windsor, Vermont |

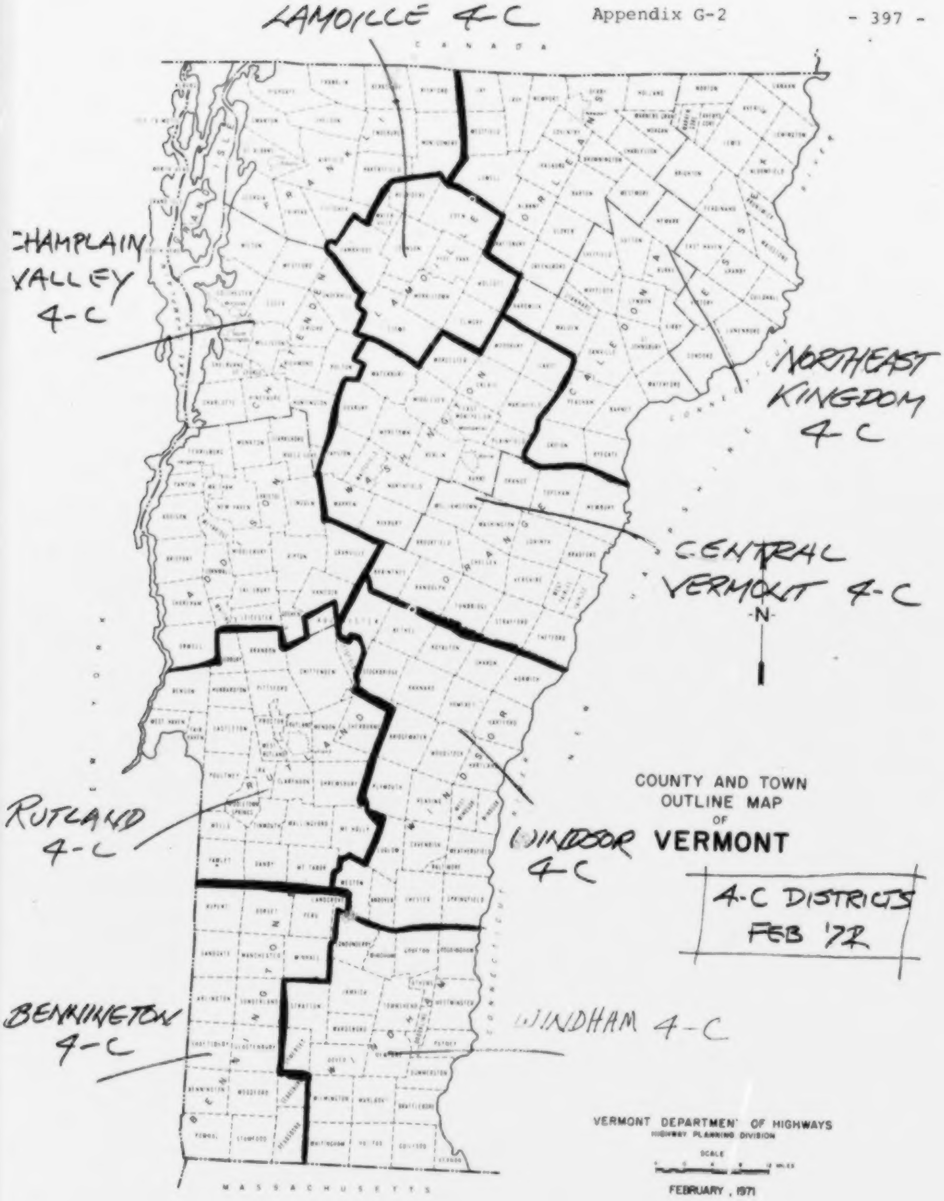
Appendix G-1

Sample Site Locations


CANADA
MASSACHUSETTS
N
COUNTY AND TOWN
OUTLINE MAP
OF
VERMONT
VERMONT DEPARTMENT OF HIGHWAYS
HIGHWAY PLANNING DIVISION
SCALE
FEBRUARY, 1971

Key to Map:

- ● Sites visited bv LICD Interviewers See list Appendix F


LAMOILLE 4-C
CANADA
CHAMPLAIN VALLEY 4-C
NORTHEAST KINGDOM 4-C
CENTRAL VERMONT 4-C
-N-
NEW YORK
RUTLAND 4-C
WINDSOR 4-C
COUNTY AND TOWN OUTLINE MAP OF VERMONT
4-C DISTRICTS FEB '72
BENNINGTON 4-C
WINDHAM 4-C
VERMONT DEPARTMENT OF HIGHWAYS
HIGHWAY PLANNING DIVISION
SCALE
FEBRUARY, 1971
MASSACHUSETTS

## APPENDIX H

## Types of Sites Surveyed by Local 4-C Areas

| Types | RI | R2 | R3 | R4 | R5 | R6 | R7 | R8 | Totals |
|---|---|---|---|---|---|---|---|---|---|
| CO | //// | // | / | /// | /// | / |  | /// | 17 |
| CU |  |  | / |  | / | /// | / | /// | 9 |
| H | / | /// | // | // |  | / | / | // | 12 |
| GH |  | / |  |  | // | / |  |  | 4 |
| SH |  |  | // |  |  |  |  |  | 2 |
| T |  |  |  |  | / |  | //// | / | 6 |
|  | 5 | 6 | 6 | 5 | 7 | 5 | 7 | 9 | 50 |

### CODES

#### SITES

| | |
|---|---|
| CO | Center (over 30) |
| CU | Center (under 30) |
| H | Home |
| GH | Group Home |
| SH | Satellite Home |
| T | Caretaker (unlicensed home) |

#### 4-C AREA COMMITTEES

| | |
|---|---|
| RI | Bennington |
| R2 | Windham |
| R3 | Rutland |
| R4 | Windsor |
| R5 | Champlain Valley |
| R6 | Central Vermont |
| R7 | Lamoille |
| R8 | Northeast Kingdom |

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## Appendix I

## 4-C Problems in Providing Health, Food & Transportation Services

| 4-C Area Committees | Inadequate Funds | Agencies Do Not Cooperate | Lacked Interest | Little or No Community Support | Not Enough Staff | Not Enough Help From State | Resources Not Available |
|---|---|---|---|---|---|---|---|
| Bennington | X | | | | X | | |
| Central Vermont | X | X | X | X | X | X | X |
| Champlain Valley | | | | | | | |
| Lamoille | X | X | | X | | X | X |
| Northeast Kingdom | X | | | X | | X | |
| Rutland | X | | | X | X | X | |
| Windham | X | | | | | | |
| Windsor | X | | | X | | | |

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## Appendix J

### How the 4-C Committees Are Involved In Providing Health, Food and Transportation Services

| 4-C Area | Develop Resources | Coordinate Existing Resources | Arrange For one Agency to Supply the Service | Provide a Referral Service | Obtain Information | Provide Information to Sites | Train Site Staffs | Obtain State Services | Activities of 4-C Committee Members | Other | How Services are Paid for |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Bennington (Health only) | | | | X | X | X | | | X | | Donated Services |
| Central Vermont (Health only) | X | X | | | X | X | X | X | | | Fee-Rate reimbursement |
| Champlain Valley | | Does not provide any services. | | | | | | | | | |
| Lamoille County (Health & Transportation) | X | X | X | X | X | X | | X | X | | Donated money & services & fund-raising projects |
| Northeast Kingdom | | Does not provide any services. | | | | | | | | | |
| Rutland (Health & Food) | X | X | X | X | X | X | X | X | X | Public Relations | Donated money, goods and services |
| Windham (Health, Food & Transportaion) | X | X | X | X | X | X | | | X | | Fee-rate reimbursement; donated goods services |
| Windsor (Health) | | X | X | | | X | | X | X | | Fee-rate reimbursement; donated services |

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## Appendix K-1

## Physical Characteristics of Sample Sites

Aggregate Data from Site Operators by
Vermont 4-C Areas

| Vermont 4-C Area Committees | Type of Site* |  |  |  |  |  | Status of License |  |  | Number of Years Open |  |  |  |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
|  | Care-taker | Center (over 30) | Center (under 30) | Group Home | Home | Satel-lite Home | Regular License | Non-License | Provisional License or Pending | 0-1 | 1-2 | 2-4 | more than 4 |
| Bennington | - | 4 | - | - | 1 | - | 4 | - | 1 | 3 | - | 2 | - |
| Central Vermont | - | 1 | 3 | 1 | 1 | - | 5 | - | 1 | 4 | 1 | - | 1 |
| Champlain Valley | 1 | 3 | 1 | 2 | - | - | 4 | 1 | 2 | 3 | 2 | - | 2 |
| Lamoille | 4 | - | 1 | - | 1 | - | 2 | 3 | 1 | 5 | - | 1 | - |
| Northeast Kingdom | 1 | 3 | 3 | - | 2 | - | 6 | 2 | 1 | 2 | 3 | 2 | 2 |
| Rutland | - | 1 | 1 | - | 2 | 2 | 4 | - | 2 | 3 | 3 | - | - |
| Windham County | - | 2 | - | 1 | 3 | - | 2 | - | 4 | 3 | 2 | 1 | - |
| Windsor | - | 3 | - | - | 2 | - | 5 | - | - | 4 | 1 | - | - |
| TOTALS | 6 | 17 | 9 | 4 | 12 | 2 | 32 | 6 | 12 | 27 | 12 | 6 | 5 |

*Categories as defined by Vermont

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## Appendix K-2

## Fiscal Characteristics of Sample Sites

### Aggregate Data from Site Operators by Vermont 4-C Areas

| Vermont 4-C Area Committees | Site Income | | | | | | | | | | | Average Weekly Cost Per Child | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FAP/IV A | | | | Parent Fees/Donations b/ | | | | | | | | | | | |
| | | Weekly | | | | | Weekly | | | | | | | | | |
| | Daily/ a/ Hourly | $10-15 | $16-23 | $24-30 | Sliding Scale | Daily/ a/ Hourly | $10-15 | $16-23 | $24-30 | Over $30 | Don't Know | $10-15 | $16-23 | $24-30 | Over $30 | Don't Know |
| Bennington | - | 1 | 2 | - | - | 1 | 2 | 1 | - | - | - | - | - | 5 | - | - |
| Central Vermont | 1 | - | - | 3 | - | 2 | 2 | 2 | 1 | - | - | - | - | - | 2 | 4 |
| Champlain Valley | - | - | 1 | 5 | - | - | - | 2 | 1 | - | - | 1 | 2 | 1 | - | 4 |
| Lamoille County | - | 1 | 1 | 2 | 1 | - | 1 | - | - | - | 1 | 1 | 3 | 1 | - | 1 |
| Northeast Kingdom | 1 | - | 1 | 4 | 1 | 3 | 1 | 1 | - | 1 | 2 | 1 | - | 1 | 3 | 4 |
| Rutland | - | - | - | 1 | - | - | 1 | - | - | - | 4 | 1 | 2 | - | 1 | 1 |
| Windham County | - | - | - | 2 | 2 | 2 | - | - | 1 | - | 2 | 4 | - | - | 1 | 1 |
| Windsor County | - | 1 | - | 2 | 1 | - | - | - | - | - | 1 | - | - | 1 | 1 | 3 |
| TOTALS | 2 | 3 | 5 | 19 | 5 | 8 | 7 | 6 | 3 | 1 | 10 | 8 | 7 | 9 | 8 | 18 |

a/ Range: 75¢ per hour to $3.50 per day

b/ Parent cash donations to meet Title IV-A local share matching requirements

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April, 1972

## APPENDIX L

## Aggregate Child-Adult Data from Fifty Sample Sites by 4-C Areas

| Day Care Sites by Vermont 4-C Regional Committees | Number of Children Full Time | Number of Children Part Time | Number of Staff Full Time | Number of Staff Part Time | Adult Volunteers |
|---|---|---|---|---|---|
| Bennington 4-C | 103 | 119 | 43 | 18 | 95 |
| Central Vermont 4-C | 65 | 31 | 18 | 7 | 11 |
| Champlain Valley 4-C | 150 | 23 | 34 | 7 | 20 |
| Lamoille 4-C | 19 | 10 | 2 | 0 | 13 |
| Northeast Kingdom 4-C | 148 | 35 | 31 | 19 | 39 |
| Rutland 4-C | 46 | 68 | 35 | 1 | 12 |
| Windham 4-C | 78 | 24 | 15 | 12 | 11 |
| Windsor 4-C | 74 | 43 | 18 | 7 | 73 |
| Total | 683 | 353 | 196 | 71 | 274 |

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Appendix M-1

People Participation

| | People Who had Direct Involvement in Day Care Before Working With 4-C | | | Current Involvement of 4-C People (Staff, Volunteer & Board Members) In Day Care Activities As: | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 4-C Area | # Current Paid Staff | # Volunteer Staff | # Committee Members | # Parents in a Cooperative Nursery | # Parents in a Day Care Center | # Day Care Operators | # Day Care Staff | # Day Care Vol-Volunteers | Other |
| Bennington | 0 | 0 | 5-6 | 0 | 2-3 | 3 | 1 | 1 (a) | 0 |
| Central | 0 | 0 | 3 | 0 | 1 | 0 | 1 | 2 | 0 |
| Champlain Valley | 4 | 0 | 5 | 2 | 5 | 2 | 1 | 2 (a) | 2 (b) |
| Lamoille | 0 | 4 | 5 | 0 | 3 | 2 | 2 | 0 | 0 |
| Northeast Kingdom | 1 | 0 | 14 | 1 | 14 | 2 | 1 | 2 (a) | 0 |
| Rutland | 1 | 3 | 19 | 3 | 4 | 4-5 | 5 | 3 | 5 (c) |
| Windham | 1 | 2 | 2 | 6 | 2 | 2 | 2 | 24 (a) | 0 |
| Windsor | 1 | 1 | 24 | 5 | 10 | 2 | 1 | 10 (a) | 10 (d) |
| TOTAL | 8 | 10 | 63-64 | 17 | 41-42 | 17-18 | 14 | 44 | 17 |

(a) The volunteers are also 4-C Board Members
(b) Consultants
(c) Day Care Board Members
(d) Provide Ancillary Services to Day Care

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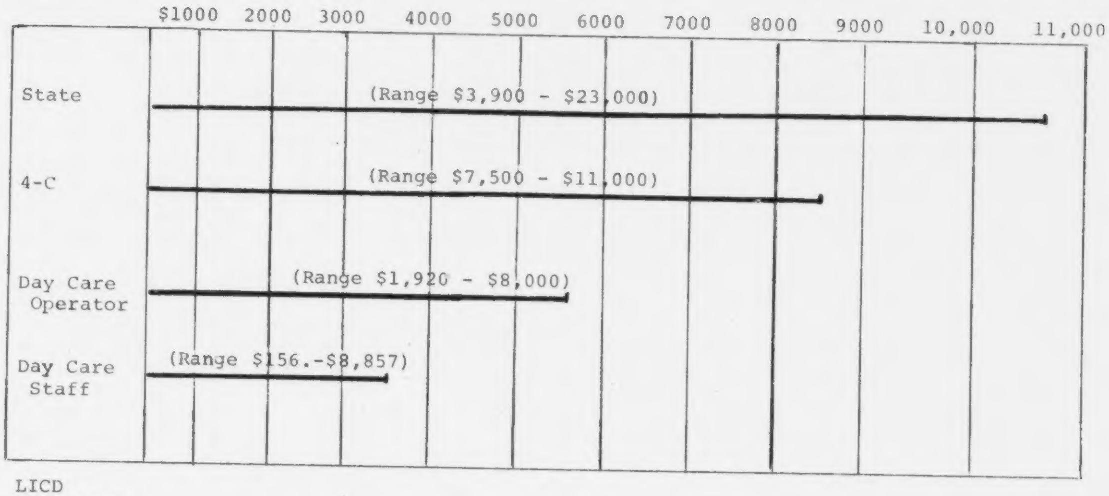
Appendix M-2

## Average Annual Gross Salaries

Vermont FAP Day Care Pretest



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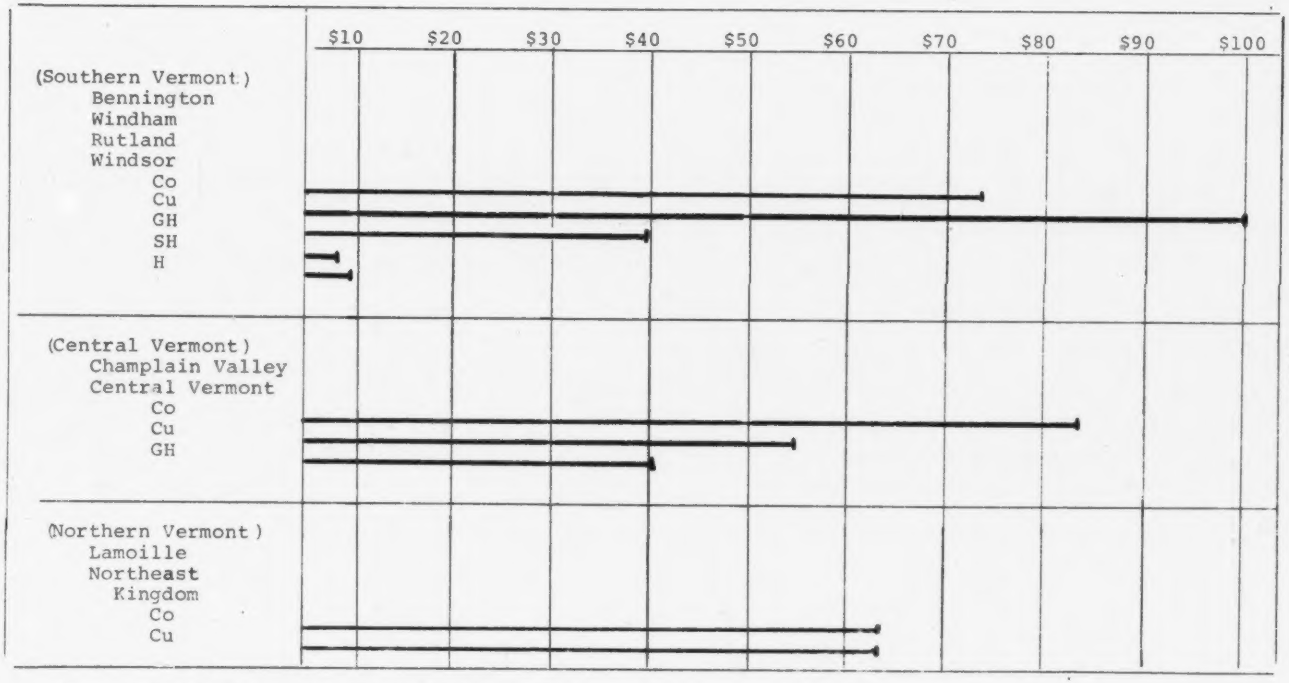
## Appendix M-3

## Average Weekly Gross Salaries of Site Staffs

### Vermont FAP Day Care Pretest



NOTE: Total Number Interviewed: 53

LEGEND:
Co - Center over 30,
Cu - Center under 30,
GH - Group Home
SH - Satellite Home
H - Home

Weekly Average = $68.00
Range = $3.00-$166.50 weekly

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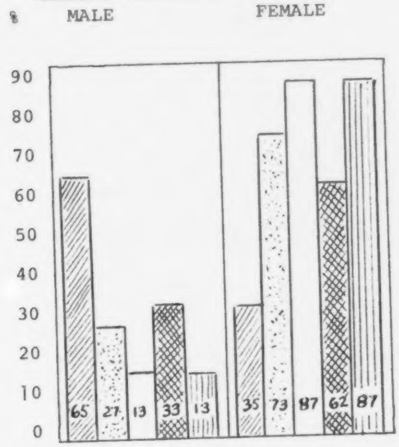
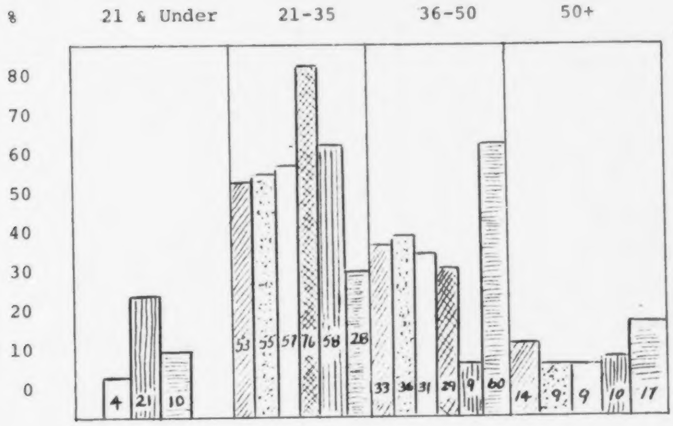
Appendix M-4. People Characteristics

- ▨ STATE
- ░ 4-C (did not have breakdown of # years lived in Vermont
- ☐ DIRECTORS
- ▩ GOVERNING BOARD
- ▥ STAFF
- ▤ PARENTS OF DAY CARE ENROLLEES

SEX OF DAY CARE EMPLOYEES



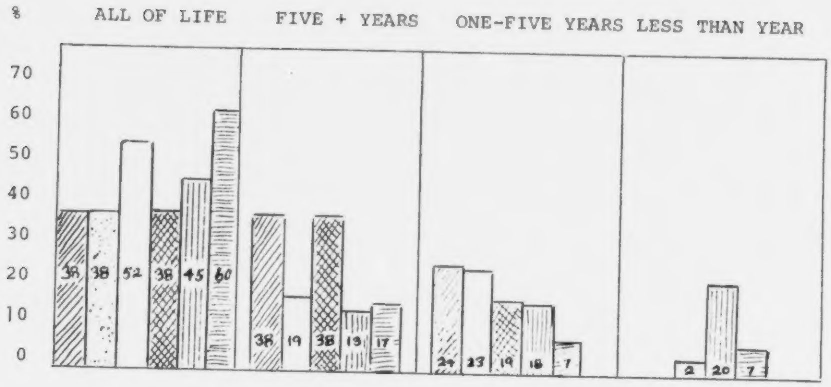
AGE



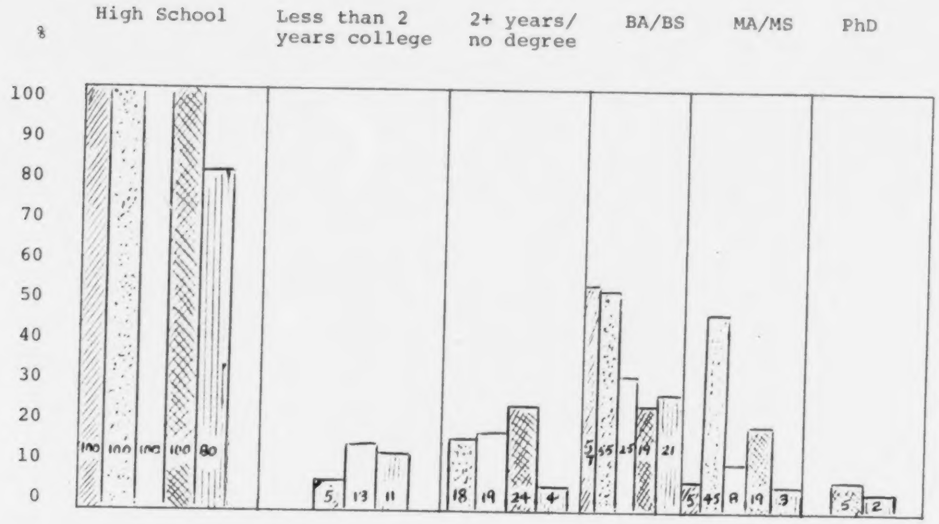
Appendix M-5

## People Characteristics

### NUMBER OF YEARS LIVED IN VERMONT



### EDUCATION



## Appendix N

## 4-C Written Communications

The following is a consolidated list of materials issued by the 4-Cs and the agencies which received them:

| MATERIALS | ISSUED TO: |
|---|---|
| Memoranda | Executive Board |
| Director's Activity Report | Evaluation Committee |
| Financial Reports | Policy Committee and/or Board or general Public |
| Statistical Reports-MIS (OCD 101,102,103) | SOCD |
| Reports re: Policy, Structure, Staff, Problem Areas, Statistics | SOCD, Centers Universities |
| Quarterly Reports | General Membership |
| Minutes of Meetings | Board Members |
| Reports on all 4-C Activities | SOCD |
| Federal Tax Report | Federal Government |

The following is a list of materials received by the 4-Cs and issuing agencies:

| MATERIALS | RECEIVED FROM: |
|---|---|
| Regulations | SOCD |
| Legislative Newsletter | State 4-C Legislative Committee |
| Memoranda | Sites |
| Reports | SOCD |
| Policy & Procedural Guidelines | SOCD |
| Reports | Community |
| Notices of Conferences | Boston Region-HEW |
| Reports | Child Development Council |
| Reports re: complaints and problem situations | From all parties involved in crisis situations or expert's observations of situations |
| Reports re: 4-C meetings and minutes | other 4-Cs,especially Rutland |
| Reports re: Changes or ideas | Day Care Centers |

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Appendix O

(COPY)

## DATA COLLECTION FOR THE OFFICE OF CHILD DEVELOPMENT (VERMONT)

All data collected will be filed in the Office of Child Development and will be disseminated at regular intervals to all 4-C regional offices. It will be the responsibility of the regional 4-C offices to provide on-going data relative to the status of facilities under their jurisdiction. It will be the responsibility of the central staff of the Office of Child Development to provide a synthesis of the data collected for use by all the 4-C offices as well as the Director of Child Development and state and federal agencies.

### Form OCD-101

Purpose: To provide for the Office of Child Development an on-going chart of the operating status of all contracted facilities.

Reporting:

State: This form will be completed in detail by the Program Developers only during the initial reportage period (January 4-14).

Regional: Changes and/or additions and/or deletions will be reported by the regional 4-C offices to the Office of Child Development as they occur (see the attached forms for a sample of this form during the on-going period).

### Form OCD-102:

Purpose: To provide a general profile of the client (child) population from the viewpoint of age, sponsorship, hours of care in a given facility, in order that planning programs can be developed so that they will be relevant to the client and so that a true picture of funding patterns can be seen.

Reportage:

Regional: Prepared monthly (from billing items) by the regional 4-C offices and submitted to the Office of Child Development.

State: Prepared monthly from regional forms by the central staff and submitted to the Director of Child Development.

(NOTE: For non-subsidized clients, the facility should be requested to provide the information required. The fee card system, described later, could be utilized.)

Form OCD-103: To provide a true picture of the flow of clients through the system; to document reasons for breakdown of the system; and to present the initial problem list.

Reportage:

Regional: Prepared bi-monthly with a summary sheet (the same form is used), submitted monthly to the Office of Child Development.

State: Prepared monthly from the regional form submitted to the Director with all supportive data including those forms prepared by regional 4-C with comments on the operational problems noted at the regional level, and other problems as noted by the central staff.

Goal of the Day Care Operations Division of the Office of Child Development:

To establish and maintain a child care delivery system, consistent with the standards established at state and federal levels, in support of manpower training programs and work effort of low income families in the State of Vermont.

Role Definitions:

Program Developers:

1. The synthesis of plans for the allocation of child care funds by region-considering statewide application and effects of such regional allocations. Recommendations to be prepared from data collected through an on-going description of the needs and assessment of the administrative capabilities of the region. In line with that, the establishment of performance criteria for the regional 4-C Agency, i.e., development of resources in conjunction with the demands from training programs, DSW and the working community; the maintenance of the funds disbursement matrix; the monitoring of the reportage system; and documentation of the problem list.

2. Provide management training under a program established by the Training Staff.

Training Specialists

1. To provide technical, professional training programs for field staff, statewide and through participant and self-evaluation techniques assess those programs as to relevant content and quality of presentation. These programs will include staff development projects, professional problem seminars and the making available of literature relevant to the field. Programs along other lines will be established.

2. Provide input to business manager and program developers of needs for management or administrative training and to establish a program of business management seminars for 4-C personnel which would be led by the Program Developers.

Business Manager and Bookkeeper:

1. Support of the regional 4-C office in the continuance of documentation of fiscal matters including fee payment and eligibility. This would primarily be done through evaluation of material on the OCD-102 and 103 and through periodic quarterly audits.

2. Supervision of regional administration and facility audits and maintenance of a standard cost analysis system for the state.

## Appendix P

## Report from Vermont OCD, April, 1972

### F.I.D.C.R. Program Quality Assessment

### Report from Vermont OCD, April, 1972

The Vermont Office of Child Development submits the following report based on the criteria established for the program quality assessment dated January 14, 1972 and the agreement to the criteria between Mr. Sam Granato, Betty Krone, Dr. Joan Babbott, and Eileen Siedman.

The results and information gathered by the instrument from the on-site field implementation of the instrument must be viewed with certain reasonable and legitimate restraints.

Chief of the circumstances surrounding the instrument is that it was developed in the Vermont Office of Child Development with very little immediate outside consultation. Training in the instrument's use in its information gathering functions had to be incorporated into an already heavily incumbered work schedules of the Vermont O.C.D. Staff.

The results of the scoring of the instrument are clearly related to the rules laid down in the criteria of January 14, 1972 and are most severe. A literal interpretation of the rule for scoring is a simple pass fail formula which equals the 100% or 0% demands of the criteria. This means that failures could and did occur at 99%, 90% as well as 0% compliance but that all scores less than 100% have been noted as failing.

This severe testing and scoring criteria multiplies and exaggerates the significance of any reasonable human error such as unresolved controversy and interpretation of the rules, the intent of the instruments questions and the evidence code, to unusual consequences. It leaves no room for a usual or reasonable instance of error. One instance of error in one section of the entire instrument is enough to fail the whole.

Every effort within the option of the Vermont O.C.D. Staff to give the Evaluation Instrument an honest implementation was made and achieved.

The instrument contained the very same weaknesses of lack of clarity and vaguenesses that the F.I.D.C.R. Requirements contained. Any uncertainty in the results which result from the failures of the F.I.D.C.R. Requirements should not be seen as failures of the instrument or the Vermont O.C.D. Staff. Attention is called to vague words such as "normal", "appropriate" and even a regulation which does not define anything but simply says "and other".

The Evaluation Instrument is a single document that did not speak to the differences of maturation of the services it tested. Being a single test instrument it required the same level of performance of services hardly born as it did to those in early infancy, and in Vermont no service is more than three years old.

The instrument then can only be seen as an indication of the nature of the strengths and weaknesses of the day care facilities it evaluated rather than an ultimately precise and definitive precision tool, except that its tolerance in scoring was unusually critical.

In Section 1 of the report you will find the simple relationship of the number of facilities that passed or failed to the total number of facilities evaluated.

This section also breaks down the totals into the four definitions of day care facilities evaluated.

For identification only and not to confuse the Federal Interagency Day Care Requirements definitions, we have used two definitions for Day Care Homes. One definition is Approved Homes, which under our law are not licensed and operated under an Approval Criteria and Licensed Day Care Homes.

The other two definitions are Group Day Care Homes and Day Care Centers.

In Section 2 of the report, the instance of failure for particular sections of the F.I.D.C.R. Requirements are given. These are broken down into the same four definitions of day care facilities mentioned above. In this section some reasons are presented as to why facilities are not in compliance.

In Section 3 the use of the evidence code is shown. The number of times a particular code definition was used shows its numerical significance. This section expresses that numerical significance as it relates to a percentage of a total.

Two tables are used. Table A shows the totals for the entire evaluation. Table B shows the individual totals for each topical section of the evaluation except the Child-Adult Ratio Section.

## SECTION 1

A.

Total number of all day care facilities evaluated

| | | |
|---|---|---|
| 55 | Pass | 1 |
| | Fail | 54 |

B. Totals by definitions of day care facilities.

1. Number of approved family day care homes

| | | |
|---|---|---|
| 4 | Pass | 0 |
| | Fail | 4 |

2. Number of licensed family day care homes

| | | |
|---|---|---|
| 18 | Pass | 0 |
| | Fail | 18 |

3. Number of Group Day Care Homes

| | | |
|---|---|---|
| 3 | Pass | 0 |
| | Fail | 3 |

4. Number of Day Care Centers

| | | |
|---|---|---|
| 30 | Pass | 1 |
| | Fail | 29 |

## SECTION 2

A.

Total scores for evaluation sections.

| | A | S | SS | Pl | ES | ER | HN | R |
|---|---|---|---|---|---|---|---|---|
| TOTAL | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 55 |
| PASS | 9 | 46 | 41 | 53 | 24 | 35 | 10 | 28 |
| FAIL | 46 | 9 | 14 | 2 | 31 | 20 | 45 | 27 |

B.

Totals by definitions of day care facilities.

1. Scores for evaluation sections

Approved Family Day Care Homes

| | A | S | SS | Pl | ES | ER | HN | R |
|---|---|---|---|---|---|---|---|---|
| TOTAL | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| PASS | 0 | 0 | 1 | 3 | 0 | 0 | 0 | 0 |
| FAIL | 4 | 4 | 3 | 1 | 4 | 4 | 4 | 4 |

2. Scores for evaluation sections

Licensed Family Day Care Homes

| | A | S | SS | Pl | ES | ER | HN | R |
|---|---|---|---|---|---|---|---|---|
| TOTAL | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| PASS | 0 | 16 | 14 | 17 | 2 | 11 | 0 | 11 |
| FAIL | 18 | 2 | 4 | 1 | 16 | 7 | 18 | 7 |

3. Scores for evaluation sections

Group Day Care Homes

SECTION 2

| | A | S | SS | Pl | ES | ER | HN | R |
|---|---|---|---|---|---|---|---|---|
| TOTAL | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| PASS | 0 | 2 | 2 | 3 | 0 | 2 | 0 | 0 |
| FAIL | 3 | 1 | 1 | 0 | 3 | 1 | 3 | 3 |

4. Scores for evaluation sections

Day Care Centers

| | A | S | SS | Pl | ES | ER | HN | R |
|---|---|---|---|---|---|---|---|---|
| TOTAL | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| PASS | 9 | 28 | 24 | 30 | 22 | 22 | 10 | 17 |
| FAIL | 21 | 2 | 6 | 0 | 8 | 8 | 20 | 13 |

Symbol Code

A = Administration

S = Staff

SS = Social Services

Pl = Parent Involvement

ES = Educational Services

ER = Environmental Requirements

HN = Health Nutrition

R = Child-Adult Ratios

SECTION 2

Total 4 Approved

C. Approved Family Day Care Homes

Brief summary statements regarding instances of failure within topical sections.

1. Administration

No Approved Home had written administrative policies.

Three Approved Homes neither offered training to their staff or had training offered to them.

Three Approved Homes had no scheme to allow staff to participate in the overall development and publicity of day care policies and procedures.

2. Staff

No care-taker within all four homes had had a periodic assessment of their physical and mental competence.

3. Social Services

Three Approved Homes did not provide counseling and guidance to families to determine appropriateness of day care, the best facility for an individual child, and possible alternatives. Neither was this service provided by others for these Approved Homes.

Two Approved Homes did not continuely assess the child's adjustment to day care or his family situation.

4. Parent Involvement

One Approved Home did not give reasonable opportunity for parents to participate in or observe the child day care program.

5. Educational Services

All four Approved Homes failed to assure educational opportunities to each child by assuring that the educational activities were supervised by trained or experienced persons.

SECTION 2

6. Environmental Requirements

None of the Approved Homes had Public Safety or Environmental inspections and endorsements.

7. Health-Nutrition

None of the four Approved Homes offered dental, medical or other health evaluations.

None of the four Approved Homes assured that each child had immunization appropriate for his age.

Two Approved Homes did not assure that each child received dental and medical care through any type of arrangements.

One Approved Home did not provide for the daily assessment for illnesses of each child.

Three Approved Homes personnel had no training in hazards of infection and accident and how to minimize these.

No Approved Home had on file or required comprehensive health evaluations of each child nor was there any evidence that this service was being provided to children by others.

None of the four homes had proper nutritional consultation for menu and meal preparation.

Total 18 Licensed

D. Family Day Care Homes

Brief summary statements regarding instances of failure within topical sections.

1. Administration

Sixteen licensed homes had no written administrative policies.

Fourteen licensed homes did not participate in the development and publicity of policies and procedures.

Three licensed homes had no written discrimination statement regarding children's admission to the program.

No licensed home was provided with acceptable training programs.

2. Staff

The staff of one licensed home had no T.B. Test.

The staff of one licensed home had had no medical examination for staff.

3. Social Services

Four licensed homes did not offer an acceptable plan to continuily assess the children's adjustment in the day care program and the family situation.

4. Parent Involvement

One licensed home had no significant contact with parents.

5. Educational Services

Twelve licensed homes did not assure educational opportunities to each child by placing the educational activities under the supervision and direction of a staff member trained or experienced in child development.

In addition, three of the above twelve licensed homes did not assure that the people in direct care of the children had had training or demonstrated ability in working with children.

Four licensed homes did not have either toyes, games, equipment and materials or books.

Four licensed homes did not have sufficient educational equipment and materials to be useful and profitable to the intent of the program.

Three licensed homes did not provide an acceptable daily program.

6. Environmental Requirements

Six licensed homes did not have the endorsement of the appropriate Public Safety or Sanitarian Authority.

Three licensed homes did not provide an acceptable plan for isolating an ill child.

SECTION 2

7. Health-Nutrition

None of the licensed homes assured that each child in day care received dental, medical and other health evaluations.

Four licensed homes did not assure that the child received dental and medical care from any source.

Two licensed homes provided no daily assessment for illness of each child.

Nine licensed homes had no training in hazards of infection and accidents and how to minimize these.

Six licensed homes had no acceptable plan for action to be taken if a child is injured or becomes ill.

Six licensed homes did not assure that each child had immunization appropriate for his age.

Eight licensed homes did not have on file an up-to-date comprehensive health evaluation on each child nor was there any evidence that this service was being provided to children by others.

Thirteen licensed homes had no proper nutritional consultation for menu preparation.

Five licensed homes had no proper nutritional consultation for meal preparation.

8. Ratios

One licensed home exceeded the Child-Adult Ratio.

Two licensed homes did not meet staff requirements.

Five licensed homes gave no phone number with which to reach a person who is to be available for emergency assistance to the home.

Total 3 Licensed

E Group Day Care Homes

Brief summary statements regarding instances of failure within topical sections.

## SECTION 7

1. Administration

No group home had adequate written administrative policies.

No group home had an adequate program of training.

Two group homes gave no priority to welfare recipients or other low income people in selecting or recruiting staff.

One group home had no scheme to allow staff to participate in the development and publicity of day care policies and procedures.

2. Staff

One group home did not meet staff requirements for education or experience.

3. Social Services

One group home offered no counseling in the best facility for a particular child.

4. Educational Services

No group home assured educational opportunities to each child by assuring that the educational activities were supervised by trained or experienced persons in child development or by providing staff who directly care for children who have had training or demonstrated ability in working with children.

One group home did not have materials for educational development and creative expressions.

5. Environmental Requirements

One group home had no endorsement by the Environmental Sanitation Division.

One group home provided no room for isolation of an ill child.

6. Health-Nutrition

No group home assured that the children received all necessary health evaluations.

One group home had no acceptable plan for action to be taken if a child is injured or becomes ill.

One group home did not assure that the child had appropriate immunization for his age.

One group home did not have comprehensive health evaluations on file for each child.

One group home did not have proper nutrition consultation for menu and meal preparation.

Total 30 Licensed

F. Day Care Centers

Brief summary statements regarding instances of failure within topical sections.

1. Administration

Thirteen centers did not have adequate written administrative policies.

d Eight centers did not have a method of selection and recruiting of staff that gave priority to welfare recipients and other low income people.

Nine centers had no scheme to allow staff to participate in the development and publicity of day care policies and procedures.

Six centers had no written nondiscrimination policy regarding a child's admission into the program.

Eighteen centers offered no appropriate training to their staff.

2. Staff

One center's staff did not have T.B. tests on file.

One center did not have a policy regarding an ill staff member not working in the center.

3. Social Services

Two centers did not offer counseling and guidance to help families determine the appropriateness of day care for a particular child, the best facility for a particular child and a possible alternative to day care.

Two centers did not have planned parent conferences to assess the childs adjustment to day care or his family situation.

4. Educational Services

Eight centers did not have toyes, games, equipment and material or books, insufficient quantity to be useful and profitable to the intent of the program.

5. Environmental Requirements

Two centers did not have Public Safety or Environmental inspections and endorsements.

Six centers did not have a proper isolation plan for the ill or injured child.

6. Health-Nutrition

Nineteen centers did not offer dental, medical, and other evaluations.

Nine centers did not have up-to-date comprehensive health evaluations on file for each child.

Five centers did not have proper nutritional consultation for menu and meal preparation.

7. Ratios

Two centers had staff which did not meet staff requirements.

Three centers did not have a policy which provided substitutions for ill or indisposed staff members.

Two centers had an unacceptable mix of age range of children.

Two centers had groups of children which exceeded the maximum allowable for their age group.

Nine centers exceeded the Adult-Child Ratios.

## SECTION 3

## USE OF CODE SYMBOLS

A. TOTALS FOR ALL SECTIONS

| CODE | 1 | 2 | 3 | 4 | GRAND TOTAL |
|---|---|---|---|---|---|
| TOTAL | 1479 | 848 | 1,030 | 1,760 | 5,117 |
| % | 29% | 17% | 20% | 34% | 100% |

B. TOTALS FOR TOPICAL SECTIONS

1. ADMINISTRATION

| CODE | 1 | 2 | 3 | 4 | GRAND TOTAL |
|---|---|---|---|---|---|
| TOTAL | 677 | 0 | 49 | 572 | 1,298 |
| % | 52% | 0% | 4% | 44% | 100% |

2. STAFF

| CODE | 1 | 2 | 3 | 4 | GRAND TOTAL |
|---|---|---|---|---|---|
| TOTAL | 429 | 4 | 33 | 214 | 680 |
| % | 63% | 1% | 5% | 31% | 100% |

3. SOCIAL SERVICES

| CODE | 1 | 2 | 3 | 4 | GRAND TOTAL |
|---|---|---|---|---|---|
| TOTAL | 34 | 0 | 15 | 364 | 413 |
| % | 8% | 0% | 4% | 88% | 100% |

4. PARENT INVOLVEMENT

| CODE | 1 | 2 | 3 | 4 | GRAND TOTAL |
|---|---|---|---|---|---|
| TOTAL | 52 | 0 | 9 | 190 | 251 |
| % | 21% | 0% | 4% | 75% | 100% |

5. EDUCATIONAL SERVICES

| CODE | 1 | 2 | 3 | 4 | GRAND TOTAL |
|---|---|---|---|---|---|
| TOTAL | 17 | 0 | 430 | 114 | 561 |
|  |  | 0% | 77% | 20% | 100% |

## SECTION 3

### 6. ENVIRONMENTAL REQUIREMENTS

| CODE | 1 | 2 | 3 | 4 | GRAND TOTAL |
|---|---|---|---|---|---|
| TOTAL | 62 | 843 | 518 | 196 | 1,619 |
| % | 4% | 52% | 32% | 12% | 100% |

### 7. HEALTH AND NUTRITION

| CODE | 1 | 2 | 3 | 4 | GRAND TOTAL |
|---|---|---|---|---|---|
| TOTAL | 225 | 1 | 18 | 514 | 758 |
| % | 30% | 0% | 2% | 68% | 100% |

EVIDENCE CODE

1 = Written Policy

2 = Valid Licensing Documents

3 = Observation of Evaluator

4 = Statement of Day Care Staff

STATE OF VERMONT
FAMILY ASSISTANCE PROGRAM PLANNING
1 WEST STREET
MONTPELIER
05602

May 19, 1972

Mrs. Eileen Siedman
Leadership Institute for Community Development
2021 L Street, N. W.
Washington, D. C. 20036

Dear Eileen

I've reviewed the revised version of the evaluation report on the planning phase of the Vermont Child Care Project and would like to offer some comments on the findings. While I find the urge to explain and justify why we did things one way rather than another quite strong, I hope these comments reflect my efforts to suppress my biases.

To put what follows into perspective, I want to say that you did a good job of unraveling a tangled skein of fact, opinion, emotive statements and fantasy. It was a difficult job, and I think the need for this letter attests to the complexity of the task.

I think your comments about the absence of a "planning design" are well taken. The realities of planning for a new program when that program is virtually operational, together with a fragmented organizational structure inevitably lead to something more akin to crisis oriented planning than a careful methodical approach to program planning. In my experience, this is more the rule than the exception. If we hope to avoid this problem in the national program, then I believe responsibilities and authorities have to be clearly delineated and defined. In other words, I would regard the need for the establishment of the comprehensive decision making system which integrates planning, operations, and evaluation (as specified in Recommendation A. 4, p. 28) as being a necessary prior condition for defining program goals and hence the planning design. I believe the recommendations would be strengthened if the requirement for a comprehensive agreed upon decision making system were highlighted as a basic precondition for the entire effort. Easier said than done, of course.

I naturally experience difficulty in accepting your judgment that the Operations Plan does not describe a day care "system." I will certainly grant its limitations, such as the absence of a systematic evaluation plan and the absence of a defined set of alternative courses of action (although one could argue that such alternatives are probably best developed after operational experience rather than before). Nevertheless, the Operations Plan does define the basic program parameters, namely, eligibility requirements, procedures for fee collection and billing, the types of services provided, delivery system options, and a detailed set of operational procedures to support the manpower project in Burlington-Morrisville before the 4-C Committees were operational in those areas. Subsequently, interagency referral procedures were further defined. The Operations Plan was certainly viewed as a flexible document (as indicated on the first page of the Plan) and reflected our best judgment of what appeared to be operationally sound at the time. The Interim Guidelines were also regarded as a flexible working document, and a contact person was named and a procedure for inputs from the field was defined in the Guidelines in order to enable OCD to improve upon the interim procedures.

Furthermore, upon completion of the Operations Plan, which met the immediate need to have the program operationally defined, regional development goals and budget allocations were designed based on field reports provided by the operations staff. Ideally, this should have come sooner, and hopefully will in the programs that follow this one.

Our differences as to what constitutes a "system" may be semantic, in which case, some clarification as to the meaning of the term in the report would be helpful.

At several points in the report you indicate that the survey data did not include information about existing day care costs and utilization and was obtained only for a relatively small portion of the population, namely FAP eligible and near eligible families (p. 35, p. 74). In fact the survey included a substantial amount of data on the costs and utilization of day care for all working mothers, not just the low income population (see pages 34-94 of Volume V of the Vermont Planning Papers, Report on the Baseline Survey).

The evaluation report indicated that "rather than starting with families and their needs, the pretest planners (including Mathematica) assumed needs based on data manipulation and available federal funds" (p. 90). The data that was being "manipulated" included observations on labor force participation, mandatory registrants for manpower services, estimated number of volunteers for training or employment, and the participation rate in FAP. The point of that effort was to give us a fix on the likely upper limit of demand for services.

The data on existing utilization of day care revealed that 97% of the existing care arrangements for all working mothers were either free or protective care (babysitting). Overall, 89% of the mothers were satisfied with their existing care arrangements. At the same time, however, 50% of the working mothers indicated they would utilize developmental child care facilities if they were available (p. 86 of the Baseline Survey Volume). In short, an analysis of the existing patterns of day care utilization reflected the inadequate supply and, possibly, a lack of knowledge about alternatives, rather than a preference for a particular type of care selected out of a range of possible choices. The fact that half the working mothers expressed a willingness to use developmental care indicates a potential demand well in excess of available funding. To start, then, from needs as determined by existing patterns of care would be to project from a base which is regarded in child development terms, as inadequate and undesirable.

Additional data was obtained on hours of work, children's ages and so on; the results suggesting the need for day care facilities at unusual hours (nights and weekends) and an emphasis on before and after school care. These are two areas that we have experienced difficulties programming for, although some advances are being made in before and after school programs.

The rub, of course, is that the data we have tells us about aggregate demand. What is needed, in terms of the operations of a particular center, is specific information on individual families which details the distance of home and job from a center, hours of work, special needs of the child, and preferred type of care.

In short, we need two levels of data for day care programming, one to determine how much to budget nationally (or statewide) and another to determine how large a center to establish in, say, Island Pond, Vermont. I see no way, at reasonable cost, to build to the aggregate figures from the micro-data. Given the differences in levels of data collection and parents' apparent lack of knowledge about the stated benefits of child development programs, we can anticipate that initially we will find the facilities underutilized, and as knowledge spreads and our outreach techniques are refined, we will experience an increase in enrollment.

You also indicated that both rates and demand estimates were based on the availability of federal funds (p. 33, p. 90). In fact, the demand estimates in the baseline survey were arrived at without any consideration of the federal funding available; to do otherwise would have been to violate the purpose of the survey, which was to determine costs and caseloads of FAP.

The rates for center care in Vermont were a given when the project started, up to $24 per week for center care. The rate was previously established based on the costs at one center. There was a great deal of emotion expended on trying to get the rate raised to $30 per week, largely because that was a figure used in testimony before Congress as being the cost for developmental care, and as a consequence, was used when we costed out the initial project proposal. We resisted raising the rate on that basis and believed that we should develop a rate model that was tied to the level of services provided. Whether this is a reasonable possibility in a program based on reimbursable purchase of services for individuals without building in an elaborate monitoring infrastructure is a serious issue which should be considered in national planning. In any event, the rate structure was not and is not being devised in terms of projected revenues, but in terms of services provided. Obviously, the number and types of services we'd be willing to purchase would be a function of budget constraints, and so we expected that the maximum we'd be willing to pay would be less than what we'd like to pay. The goal was to establish a rate through a rational process, rather than by working backwards from the budget. The recent increase in rates, for example, was based on further analysis of center expense data.

At several points you indicate that we were essentially complying with federal guidelines and decisions rather than designing a program to meet Vermont's needs (p. 65, p. 107). Since I gather this is something you'll be examining more closely in Volume II, I'll limit my comments and indicate that at no time did I believe we were sacrificing Vermont's interests to meet federal requirements. We certainly were responsive to the contract and certain federal inputs, but not at our own expense.

I said I would try to refrain from justification, and so will stop. I hope to have the opportunity to review the second volume of the study before its release.

I'd like to say again that you were faced with a difficult job, and while I continue to disagree with some of your conclusions and interpretations, on the whole I think the report was a good one. We should keep in mind that if the evaluatee does not disagree with the evaluator, something is probably wrong.

Sincerely,

George

George J. Carcagno
Director

GJC/pdc

cc: William S. Cowles, Jr.
Dr. Joan G. Babbott
Lois-ellin Datta
Sam Granato

The Vermont Times - Argus

5/4/72

### By Insufficient Funds, 900 Additional Tots

# Day Care Problems Compounded

By NICK MONSARRAT
VERMONT PRESS BUREAU

Vermont Day Care Centers, already worried about lack of funds to maintain current programs, learned Wednesday they may be asked to take over 900 additional children from the Department of Social Welfare.

It was only one of many pieces of a complicated financial and administrative puzzle unveiled at a heated meeting of about 60 Day Care representatives and the Office of Child Development Wednesday.

Day Care operators and administrators are concerned that many of their centers may have to cut back on the number of children they serve because of lack of funds, or lower the quality of care for the 1,700 children they now serve.

The program, funded by Family Assistance Plan and Title 4-A Social Security Act funds, is designed to provide quality Day Care services for children to allow mothers to hold jobs.

Wednesday, the eight regional 4-C Committees that administer programs at the local level were handed their final operating budgets for fiscal 1973 from the Office of Child Development.

They heard what they already knew — that the funds are more than $200,000 less than they say they need to maintain current operations. Some Day Care operators have predicted the final tally will leave the centers up to $900,000 short.

At the same time, Wednesday, OCD officials also confirmed they are working with William S. Cowles Jr. to gradually shift 900 children from the Aid to Needy Families with Children program to the Office of Child Development.

The proposed transfer, which is supported by Welfare Commissioner Joseph Betit, "wouldn't come unless we have the dough," George Carcagno, director of the Family Assistance Plan, told the group.

But the revelation prompted angry protests from Day Care Center operators and 4-C Committee members when told by OCD staffer, Michael Ristin, the idea had been proposed by the Office of Child Development.

How, they wondered, could they take on more children when many Day Care Centers are already filled to capacity, and have been told by the OCD to refuse to take more children in fiscal 1973.

Ristin had also argued that if centers "hold the line" on their budgets they will have "not quite" enough money to maintain their present levels of service.

But Carcagno and Ristin could not promise where the funds would come from to support the shift, agreeing the major problem is to make up the difference between the rate the Social Welfare Department pays welfare families for child care, and the higher costs created by the more expanded OCD programs.

The Welfare Department pays only $20 per family for child care each week, while the OCD pays a maximum of $28 per child on a weekly basis. The welfare funds would be shifted to OCD along with the children.

But the difference was strongly protested by Northeast Kingdom 4-C Committee Chairman John Bloch who charged that Betit had held the line on his own welfare expenditures, while shifting the burden to Day Care.

"We're playing one group of children against the other," he charged.

Bloch moved from relative calm to an angry protest in the course of the meeting, finally declaring:

"I'm not sure we're accurately reflecting the total cost of adequate child care. I think we've got to look at the whole barrel of bolts before we buy into another zoo."

"Where are we going to put them," wondered Springfield Day Care Center operator Philip Dwight.

Earlier, Cowles, who holds overall control over the Day Care Operation, had also handed out more bad news for future funding of Vermont Day Care.

He said it is now certain that Family Assistance Plan funds, which will funnel $960,000 into the Day Care operation for fiscal 1973, will end July 1, 1974, affecting almost half of the children now served in the program.

Predicting that the Congressional welfare reform package will not pass this year, which Day Care planners had been relying on to continue FAP funding beyond 1974, Cowles said it means the state will have to come up with $300,000 in Title 4-A matching funds for fiscal 1974.

In almost the same breath, he predicted: "I cannot envision those funds being added to the Human Services Agency budget," as well as funds for an expanded Denticaid program.

Cowles added that federal funding of the fiscal 1973 FAP day care program, at about the same level as last year, "looks somewhat better."

He also said a $40,000 carryover of unexpended funds from the Office of Child Development from last year may be refunneled back into the Office of Child Development.

If approved by the Emergency Board, it would generate added federal funds.

But it was later revealed during the meeting, after Cowles had left, that the funds would be earmarked to help support the 900-child shift from the Welfare Department, not to help alleviate present funding shortages.

At the same time, Dr. Joar Babbott, director of the Office of Child Development, called on the 4-C Committees to increase efforts to pass on information to the Day Care Center directors.

"The more we can push down the decision making to the regional level, the better," she argued.

But Day Care officials repeatedly voiced their own frustration at having received little, or no, information from OCD about major policy changes, such as fee schedules, that will now apply to families who are required, because of income criteria, to pay a portion of Day Care costs to hold their jobs.

"We're getting the information after the fact," a director declared.

The fees are based on family incomes and the number of children in the family. When their implementation was announced by OCD officials, Bloch, joined by other Day Care officials, blasted the fees as affecting those who can afford them the least.

"They're discriminatory and retrogressive," Bloch declared.

A similar greeting was handed a rate schedule unveiled by Ristin that determines how much Day Care homes and centers, licensed and unlicensed, receive from 4-C Committees for caring for children.

The rates, which Ristin said are already being used, pay up to $16 per week, per child for unlicensed Day Care satellite homes, and a top payment of $28 per child for a fully licensed center.

But one Day Care representative wondered angrily: "How many of you administrative people are willing to go to work for those prices."

Dr. Babbott countered: "If you raise the fees, on a closed-ended budget, you reduce the number of children you can serve."

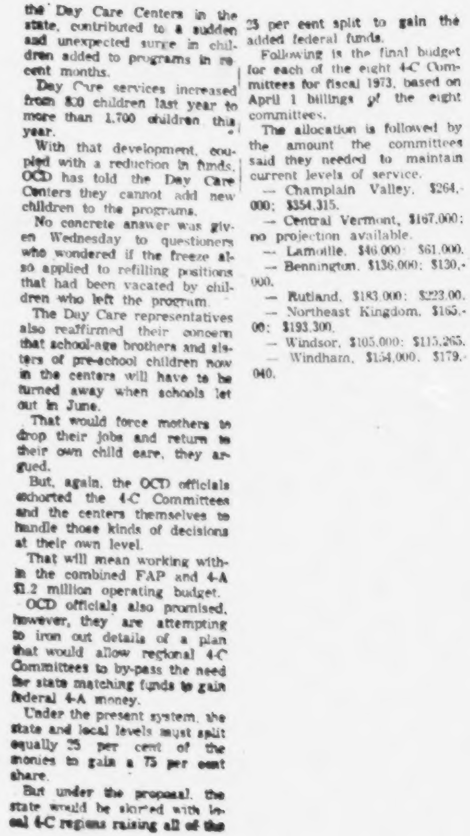
With OCD officials agreeing the payment schedule was still open to change, the group decided to form a committee, made up of a majority of Day Care directors, to work on the schedule.

Cowles, along with Dr. Babbott, also told the group early in the meeting that the state agencies would be working harder next year to lobby in the Legislature for more Day Care funds.

This year, Cowles and the Office of Child Development failed to protest a $25,000 reduction in the state's share of matching funds that produce a 75 per cent federal share.

They argued that with the $40,000 carryover in the budget from last year it would be difficult to justify more state funding.

But Day Care Center representatives have argued that poor planning on the part of OCD, and an overexpension of



the Day Care Centers in the state, contributed to a sudden and unexpected surge in children added to programs in recent months.

Day Care services increased from 800 children last year to more than 1,700 children this year.

With that development, coupled with a reduction in funds, OCD has told the Day Care Centers they cannot add new children to the programs.

No concrete answer was given Wednesday to questioners who wondered if the freeze also applied to refilling positions that had been vacated by children who left the program.

The Day Care representatives also reaffirmed their concern that school-age brothers and sisters of pre-school children now in the centers will have to be turned away when schools let out in June.

That would force mothers to drop their jobs and return to their own child care, they argued.

But, again, the OCD officials exhorted the 4-C Committees and the centers themselves to handle those kinds of decisions at their own level.

That will mean working within the combined FAP and 4-A $1.2 million operating budget.

OCD officials also promised, however, they are attempting to iron out details of a plan that would allow regional 4-C Committees to by-pass the need for state matching funds to gain federal 4-A money.

Under the present system, the state and local levels must split equally 25 per cent of the monies to gain a 75 per cent share.

But under the proposal, the state would be skirted with local 4-C regions raising all of the 25 per cent split to gain the added federal funds.

Following is the final budget for each of the eight 4-C Committees for fiscal 1973, based on April 1 billings of the eight committees.

The allocation is followed by the amount the committees said they needed to maintain current levels of service.

— Champlain Valley, $264,000; $354,315.

— Central Vermont, $167,000; no projection available.

— Lamoille, $46,000: $61,000.

— Bennington, $136,000; $130,000.

— Rutland, $183,000; $223,00.

— Northeast Kingdom, $165,00; $193,300.

— Windsor, $105,000; $115,265.

— Windham, $154,000, $179,040.

Appendix R-2

Page 6 Caledonian-Record, St. Johnsbury, Vt. Thu., Apr. 27, 1972

# No Cut in Day Care Enrollment Seen

**By DAVID GRAY**

MONTPELIER — Predictions are that the Northeast Kingdom Community Cordinated Child Care Committee (4-C) will not have to cut any of its present 136 Day Care enrollees,, according to state Office of Child Development (OCD) Operations Analyst Michael Wriston.

Members of 4 C were under the impression at Tuesday's meeting that they would have to cut about 51 of the present slots to compensate for reduced funding.

The Northeast Kingdom was originally scheduled to receive about $144,000 But a new formula, based on the number of children each region serves, was developed which would give this region an estimated $170,000

This figure, Wriston estimates, would care for 130 children

He said OCD has been guaranteed of some funding under a new Family Assistance Program grant now pending He predicted enough money would be forthcoming in the Northeast Kingdom's share to provide for the remaining six children.

The Northeast Kingdom enrolls about 18 per cent of the state's pre-school children in full-time Day Care and receives 24 per cent of the Title 4-A funds. But, Wriston said, the area has only three children enrolled under the Family Assistance Program.

He said an effort would be made to transfer qualifying children to the Family Assistance Program. If only a small number is qualified, Wriston said some adjustment in 4-A funding could be made.

OCD is requesting $480,000, which it feels is necessary to maintain the present level of Day Care in Vermont. The Northeast Kingdom will fare better than other areas under the new formula for distribution of funds.

If there is no new funding, Wriston reported, there would have to be enrollment cuts across the state.

Asked why OCD's representative at the 4-C meeting Tuesday did not explain these new developments, Wriston said, "She could have cleared it up if she knew about it."

Wriston defended what appears to be a high cost for administering the program by saying some items, such as licensing of Day Care homes, should not be considered administration. He added that OCD Director Dr. Joan Babbott's salary is likely to be transferred to another budget because whe does not plan to spend much time herself on Day Care next year.

Wriston added that the Dept. of Health, Education and Welfare is not concerned with the disproportionate administration direct child care services ratio because HEW is interested in building a strong administrative unit.

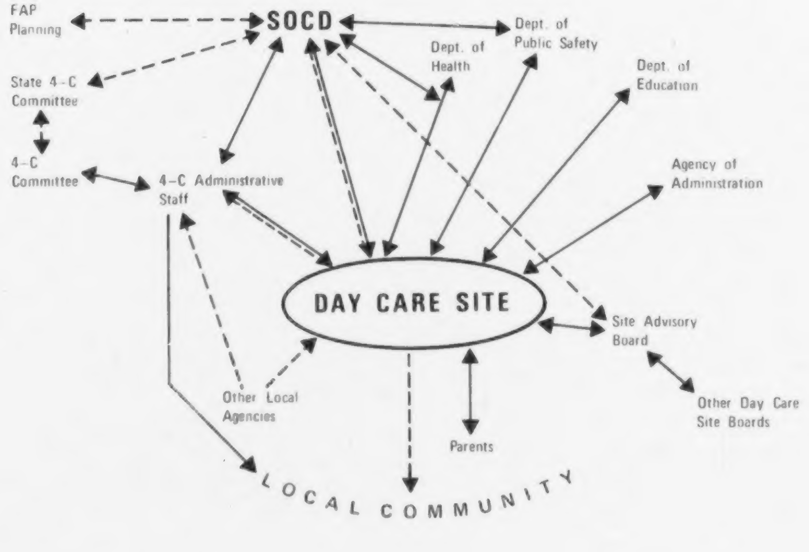
He said that more administration is always needed to establish a program than to administer an ongoing program. Some aspects of the Day Care system are still being established.

Area Day Care Centers had hoped to transfer Head Start children to the Title 4-A program for May to avoid cutbacks at the end of the fiscal year. Dr. Babbott explained OCD's refusal to allow this procedure by saying OCD must be concerned with children all year. the change would skew the figures, and OCD has other plans for the surplus money in question.

She said it would be needed to provide day care previously provided by the Dept. of Social Welfare if present OCD plans to take over the program materialize.

According to some sources, Human Services Sec. William Cowles has still other plans for the surplus money. He plans to send it to the general fund to be returned for other agency purposes.

# APPENDIX S
# DAY CARE SITE INFORMATION FLOW


FAP Planning
SOCD
Dept. of Public Safety
Dept. of Health
State 4-C Committee
Dept. of Education
4-C Committee
4-C Administrative Staff
Agency of Administration
DAY CARE SITE
Site Advisory Board
Other Local Agencies
Other Day Care Site Boards
Parents
LOCAL COMMUNITY

——— Frequent and regular communication.
- - - Occasional or irregular communication.
═ ═ Not all people in comparable positions communicate on a regular basis.

LICD
May, 1972

## Appendix T-1

## Leadership Institute for Community Development

## Day Care in Vermont

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T-2

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Interagency Liaison
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Office of the Secretary
Dept. of Health, Education
& Welfare

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Vermont FAP pretest files were obtained from the following people:

Allen, Jodie
Bruce, Preston
Cronin, Mary Jane
Day Care and Child Development Council of America, Inc.
Granato, Sam

## CONTRACTS

Contracts between the State of Vermont Office of Economic Opportunity and:

Bennington County Early Child Development, Inc.,of Bennington, Vermont;
Bristol, Vermont Early Childhood Education Corp., of Bristol, Vermont;
Central Vermont 4-C Committee, Inc., of Montpelier, Vermont;
4-C Committee of Chittenden County, Inc., of Burlington, Vermont;
Franklin County Community Action Panel, Inc., of Franklin County, Vermont;
Randolph Community Action Group, Inc., of Randolph, Vermont

Northeast Kingdom 4-C Committee, Inc., of Newport, Vermont
Lamoile County 4-C Committee, Inc., of Lamoile County, Vermont
Rutland Area 4-C Committee, Inc., of Rutland, Vermont
Windham County 4-C Committee, Inc., of Windham County, Vermont
Windsor County 4-C Committee, Inc., of Windsor County, Vermont

D/HEW-Vermont Contract

OEO-HEW Agreement

Mathematica, Inc.-Vermont Contract

Thiokol-Vermont Contract

Contracts between the State of Vermont Office of Child Development and:

- Bennington County Early Child Development, Inc. of Bennington, Vermont;
- Central Vermont 4-C Committee, Inc., of Montpelier, Vermont;
- Champlain Valley 4-C Committee, Inc., of Burlington, Vermont;
- Northeast Kingdom 4-C Committee, Inc., of Newport, Vermont;
- Lamoille County 4-C Committee, Inc., of Lamoille County, Vermont;
- Rutland Area 4-C Committee, Inc., of Rutland, Vermont;
- Windham County 4-C Committee, Inc., of Windham County, Vermont;
- Windsor County 4-C Committee, Inc., of Windsor County, Vermont.

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